

ASSET PURCHASE AGREEMENT

Dated as of May 7, 2020

By and Among

PUBLIC WATER SUPPLY DISTRICT NO. 1

OF NODAWAY COUNTY, MISSOURI, as Purchaser,

MIDDLEFORK WATER COMPANY, as Seller,

and

BROCK PFOST and KAREN PFOST, as “Shareholders”

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of May 7, 2020, is made by and among PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation (the “Purchaser”), MIDDLEFORK WATER COMPANY, a Missouri corporation (the “Seller”), and BROCK PFOST (“Brock”) and KAREN PFOST (“Karen”, and together with Brock, the “Shareholders”). Certain terms used herein are defined in Article IX hereof.

RECITALS

WHEREAS, Seller is the owner and operator of a water plant and certain related facilities generally depicted on Exhibit A attached hereto (the “Water Company Facility”) located in Gentry County, Missouri. Seller is in the business of selling water from the Water Company Facility to its customers in and around Gentry County and Nodaway County, Missouri (the “Business”).

WHEREAS, Purchaser supplies water services to its customers in and around Nodaway County, Missouri.

WHEREAS, the Seller desires to sell, transfer and assign to Purchaser, and Purchaser desires to purchase and assume from Seller certain specified assets and liabilities of the Business subject to the terms and conditions set forth herein; and

WHEREAS, to induce Purchaser to enter into this Agreement and consummate the transactions contemplated hereunder, the Seller and the Shareholders are willing to be bound by the agreements contained herein as well as certain other closing documents referenced herein.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I Purchase and Sale of Purchased Assets; Closing

Section 1.1 Purchase and Sale of Purchased Assets.

On the basis of the representations, warranties, covenants, and agreements herein, and subject to the satisfaction or waiver of the conditions set forth herein and the terms hereof, at the Closing, Purchaser shall purchase from Seller and Seller shall sell, convey, assign, transfer and deliver to Purchaser, all of Seller’s right, title and interest in, to and under the following assets used in connection with Seller’s operation of the Business (other than the Excluded Assets), including the following (collectively, the “Purchased Assets”):

- (a) The fifty-two and five hundredths (52.05) acres of real property on which the buildings, pre-sed basin, dam, and other improvements used in the production of water at the Water Company Facility are located (the “Real Property”). The legal description and survey of the Real Property (the “Survey”) are attached hereto on Exhibit A.

- (b) The following water production assets: dam, pre-sed basin, and other assets that impound, supply, treat, and distribute water which are owned by Seller, used by Seller in connection with the operation of the Business, and not excluded hereunder
- (c) all furniture, fixtures, equipment, machinery, tools, office equipment, supplies, computers, telephones and other tangible personal property located on the Real Property as of Closing;
- (d) all Permits which are held by Seller and required for the conduct of the Business as currently conducted or for the ownership and use of the Purchased Assets, to the extent assignable;
- (e) all of Seller's rights under assignable warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets or any Liabilities of Seller assumed by Purchaser at Closing, if any;
- (f) originals, or where not available, copies, of books and records of Seller, including, without limitation, machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records and procedures, customer complaints and inquiry files, research and development files, and other records and data pertaining to the Business in Seller's possession (including all correspondence with any Government Entity);
- (g) the following phone number associated with the Business (660-448-2111); and
- (h) all goodwill and the going concern value of the Business.

Notwithstanding the foregoing, the Purchased Assets shall not include the Excluded Assets.

Section 1.2 Excluded Assets.

Seller shall not sell, convey, assign transfer or deliver to Purchaser (and Purchaser shall also not assume any Liabilities associated therewith), and Purchaser shall not acquire or have any rights to acquire, Seller's right, title and interest in and to the following (collectively, the "Excluded Assets"):

- (a) All real property owned by Seller except for the Real Property (the "Excluded Real Property").
- (b) All water rights associated with or relating to the lake, a portion of which is included in the Real Property and further depicted on Exhibit A.
- (c) equity securities of Seller;
- (d) cash and cash equivalents;

- (e) the corporate seals, organizational documents, minute books, stock books, Tax Returns, books of account or other records having to do with the corporate organization of Seller;
- (f) all corporate income tax returns and other tax returns of Seller and work papers, records and documents related thereto, and any rights to refunds; and
- (g) the rights which accrue or will accrue to Seller under the Transaction Documents.

Section 1.3 Excluded Liabilities.

Purchaser shall not assume, pay, perform or discharge any Liabilities of the Seller or relating to or arising from the ownership or operation of the Purchased Assets or the Business prior to the Closing Date (collectively, the “Excluded Liabilities”).

Section 1.4 Purchase Price; Payment.

(a) Purchase Price. The aggregate consideration for the Purchased Assets and Shareholders’ consultation and agreements not to compete shall be Seven Hundred Ninety-One Thousand Six Hundred Eleven and 19/100 Dollars (\$791,611.19) (the “Purchase Price”).

(b) Payment. The Purchase Price shall be paid by Purchaser to Seller as follows:

(i) Closing Date Payment. At Closing, Purchaser shall pay and deliver to Seller the amount of One and no/100 Dollar (\$1.00) (the “Closing Date Payment”); and

(ii) Carryback Financing. The Purchase Price less the Closing Date Payment shall be paid pursuant to the terms and conditions set forth in a promissory note, with interest accruing on the unpaid principal balance due at the lowest applicable federal rate of interest, as published by the Internal Revenue Service for the month in which closing takes place (the “Promissory Note”). The Promissory Note shall be substantially similar to the form attached hereto as Exhibit B and shall be secured by: (A) a first priority Deed of Trust recorded against the Real Property (the “Deed of Trust”) which shall be substantially similar to the form attached hereto as Exhibit “C”; and (B) a purchase-money security interest granted by Purchaser to Seller pursuant to the terms and conditions set forth in a security agreement (the “Security Agreement”), which shall be substantially similar to the form attached hereto as Exhibit C-1.

Section 1.5 Allocation of Purchase Price.

The Purchaser, the Shareholders, and the Seller recognize their respective obligations pursuant to Section 1060 of the Code to timely file IRS Form 8594 with their respective federal income Tax Returns. Seller, the Shareholders and Purchaser agree that the Purchase Price and the (plus other relevant items) shall be allocated among the Purchased Assets and such other relevant items between Seller and the Shareholders for all purposes (including Tax and financial accounting) as shown on the allocation schedule set forth on Schedule 1.5 (the “Allocation Schedule”).

Section 1.6 The Closing.

The closing of the transactions contemplated hereby (collectively, the “Closing”) shall take place at the offices of the Purchaser, 120 East 3rd Street, Maryville, Missouri at 10:00 A.M. (or at such other location as Purchaser and Seller shall mutually agree in writing or by the electronic exchange of Purchaser Closing Deliverables and Seller Closing Deliverables) on the first Business Day following satisfaction or waiver of the conditions set forth in Sections 2.1 and 2.2, or on such other date and time as Purchaser and the Shareholders shall mutually agree in writing. The date of the Closing is referred to as the “Closing Date.”

Section 1.7 Closing Deliverables.

(a) At the Closing, the Purchaser shall deliver or cause to be delivered to Seller or the Shareholders, as applicable, the following (the “Purchaser Closing Deliverables”):

- (i) a duly executed original Promissory Note in the form of Exhibit B attached hereto;
- (ii) the duly executed original Deed of Trust in the form of Exhibit C attached hereto;
- (iii) the duly executed original Security Agreement in the form of Exhibit C-1 attached hereto;
- (iv) a certificate duly executed by an officer of Purchaser, dated as of the Closing Date, certifying that attached thereto is (A) a true, complete and correct copy of the Purchaser’s articles of incorporation, as in effect on the Closing Date, (B) a true, complete and correct copy of the bylaws of the Purchaser, as in effect on the Closing Date, and (C) true, complete and correct copies of resolutions of the Purchaser’s board of directors authorizing the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereby, which resolutions have not been modified, rescinded or revoked;
- (v) a duly executed Water Rights Agreement granting substantially in the form of Exhibit E attached hereto; and
- (vi) such other and further certificates, assurances, consents, documents and instruments as Seller may reasonably request in order to evidence the accuracy of the Purchaser’s representations and warranties, the performance of covenants to be performed by the Purchaser at or prior to the Closing, and the fulfillment of the conditions to Purchaser’s obligations thereunder.

(b) At the Closing, the Seller or the Shareholders, as applicable, shall deliver or cause to be delivered to Purchaser all of the following (the “Seller Closing Deliverables”):

- (i) certificates of good standing of the Seller issued by the Government Entity in its jurisdiction of incorporation;
- (ii) a certificate duly executed by an officer of Seller, dated the Closing Date, certifying that attached thereto is (A) a true, complete and correct copy of the articles of incorporation of Seller, as in effect on the Closing Date, (B) a true, complete and correct copy of the bylaws of Seller, as in effect on the Closing Date, and (C) true, complete and correct copies of resolutions of Seller's board of directors authorizing the execution, delivery and performance of the Transaction Documents and the transactions contemplated thereby, which resolutions have not been modified, rescinded or revoked;
- (iii) a bill of sale, substantially in the form of Exhibit D attached hereto, duly executed by an authorized officer of Seller, transferring the tangible personal property included in the Purchased Assets to the Purchaser;
- (iv) a duly executed Water Rights Agreement granting Purchaser the right to collect and use all water either generated, stored, collected or otherwise located on the Excluded Real Property, substantially in the form of Exhibit E attached hereto;
- (v) a duly executed original special warranty deed in a form reasonably acceptable to Purchaser and Seller, transferring all of Seller's right, title, and interest in and to the Real Property to Purchaser;
- (vi) a tax clearance letter from the Missouri Department of Revenue; and
- (vii) such other certificates, assurances, consents, documents and instruments as Purchaser may reasonably request in order to evidence the accuracy of the Shareholder's and Seller's representations and warranties, the performance of covenants to be performed by the Shareholders and Seller at or prior to the Closing and the fulfillment of the conditions to the Shareholder's and each Seller's obligations thereunder.

Section 1.8 Closing Prorations.

- (a) Property Taxes and Assessments. All personal property and real estate taxes levied against the Purchased Assets, including the Real Property, which are due in the year in which Closing occurs shall be prorated between Purchaser and Seller through the Closing Date, and all prior year's taxes, interest and other charges, if any, shall be paid in full by Seller at or prior to Closing. All special assessments, if any, assessed against the Property shall be paid by Seller at or prior to Closing.
- (b) Utilities. Utility expenses attributable to the Real Property through the Closing Date, shall be prorated through the Closing Date.

ARTICLE II Closing Conditions

Section 2.1 Conditions to the Purchaser's Obligations.

The obligation of Purchaser to consummate the transactions contemplated hereby is subject to the satisfaction (or written waiver by the Purchaser) as of the Closing of the following conditions:

- (a) Representations and Warranties. The representations and warranties contained in ARTICLE III and ARTICLE IV herein shall be true and correct in all material respects, both when made and at and as of the Closing, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).
- (b) Covenants. The Seller and the Shareholders shall have duly performed or complied in all material respects with all obligations required by this Agreement and all Transaction Documents.
- (c) No Material Adverse Effect. No Material Adverse Effect shall have occurred between the date hereof and the Closing.
- (d) Seller Closing Deliverables. The Seller or the Shareholders, as applicable, shall have delivered the Seller Closing Deliverables to Purchaser.
- (e) Water Supply Agreements. Purchaser has secured assurances reasonably satisfactory to Purchaser that the cities of Grant City, Missouri ("Grant City") and Stanberry, Missouri ("Stanberry") will enter into water supply agreements substantially in the form of Exhibit G attached hereto ("Water Supply Agreements").
- (f) Due Diligence Investigation. For a period of thirty (30) days following the date hereof ("Inspection Period"), Purchaser shall have the right to complete a due diligence investigation of the Purchased Assets. All inspections of the Purchased Assets shall be coordinated through the Seller and no invasive inspections shall be made without Seller's prior written consent, such consent to not be unreasonable withheld, conditioned, or delayed. In connection with the foregoing, Seller agrees to permit Purchaser and its agents and contractors full and complete access to the Property at reasonable hours upon at least twenty-four (24) hours' notice to inspect and conduct approved tests on the Purchased Assets. Purchaser shall indemnify and hold Seller harmless from and against any loss, cost, damage or expense arising from any inspections or tests on the Purchased Assets performed by Purchaser, its agents, employees, independent contractors or assigns. Purchaser's indemnification obligation under this Subsection shall survive Closing or termination of this Agreement for a period of twelve (12) months.
- (g) Resolution of DNR Matter. Seller shall resolve all outstanding issues and obligations as pertains to the DNR matter disclosed in Section 3.6 hereof. In the event Seller has not resolved the DNR matter prior to Closing, and in the event

Purchaser waives this closing condition and proceeds to Closing, Seller shall indemnify Purchaser for matters relating to the DNR issue disclosed in Section 3.6 hereof.

- (h) Title Insurance. Within the first ten (10) days following complete execution of this Agreement, Seller shall cause Nodaway County Abstract (the "Title Company") to provide Purchaser a commitment for an owner's policy of title insurance (the "Title Commitment"), pursuant to which the Title Company agrees to issue to Purchaser an American Land Title Association Owner's Policy of Title Insurance in the full amount of the Purchase Price insuring good and insurable fee simple title to the Real Property in Purchaser upon Closing. Purchaser may secure at its expense extended coverage and such endorsements as it may desire, and Seller agrees to execute customary lien and owners affidavits in order to allow Purchaser to obtain such extended coverage and/or endorsements. Written notice of any matter adversely affecting Seller's interest in the Real Property or its title to the Real Property as reflected in the Title Commitment or the Survey that is unacceptable to Purchaser in its reasonable discretion shall be delivered to Seller prior to the expiration of the Inspection Period. All matters to which Purchaser so objects are referred to in this Section as "Non-Permitted Exceptions." All items listed as exceptions in the Title Commitment to which such objection is not made shall be deemed "Permitted Exceptions." Upon Seller's timely receipt of any such objection, Seller shall have the right, but not the obligation, to cure or remove all Non-Permitted Exceptions within twenty (20) days following receipt of notice thereof, or at Closing for matters involving payment of funds. If Seller does not cause all of the Non-Permitted Exceptions to be removed or cured within the applicable cure period, Purchaser shall have the right either (a) to delay Closing until Purchaser remedies such Non-Permitted Exceptions to Purchaser's reasonable satisfaction, or (b) to elect to purchase the Real Property subject to the Non-Permitted Exceptions. In the event Purchaser fails to extend Closing under this Agreement within the time period specified in the preceding sentence, all Non-Permitted Exceptions shall be deemed to be Permitted Exceptions, and Purchaser shall be deemed to have elected to purchase the Real Property subject to the Non-Permitted Exceptions. In the event Purchaser elects to extend Closing under this Agreement pursuant to this Section, Seller shall take all reasonable and necessary action to remove all such Non-Permitted Exceptions as soon as reasonably practical and in the event all Non-Permitted Exceptions are not so removed within ninety (90) days of the expiration of the Inspection Period, either party may terminate this Agreement by delivering written notice of termination to the other party, and upon such termination this Agreement shall be of no further force or effect upon the non-terminating party's receipt of such notice of termination, neither Purchaser nor Seller shall have any further obligation or liability to each other under this Agreement except those that expressly survive termination.

Section 2.2 Conditions to the Seller's Obligations.

The obligation of the Seller to consummate the transactions contemplated hereby is subject to the satisfaction (or written waiver by the Shareholders (on behalf of the other stockholders of the Seller)) as of the Closing of the following conditions:

- (a) Proceedings, Etc. (i) No Action or Order, shall have been entered, be pending or threatened before any Governmental Entity (or any quasi-judicial or administrative agency thereof) in which it is sought to restrain or prohibit or to obtain damages or other relief (including rescission) in connection with the transactions contemplated hereby, and (ii) no investigation that would result in any such Action shall be pending or threatened to the knowledge of Seller.
- (b) Representations and Warranties. The representations and warranties contained in ARTICLE V herein shall be true and correct in all material respects, both when made and at and as of the Closing, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date).
- (c) Covenants. Purchaser shall have performed or complied in all material respects with all obligations required by this Agreement and all other Transaction Documents.
- (d) Closing Deliverables. The Purchaser shall have delivered the Purchaser Closing Deliverables to Seller or the Shareholders, as applicable.
- (e) Consents. Seller shall have received written consents from all third-parties required to consummate the transactions contemplated by the Transaction Documents, including, without limitation consents from the Missouri Public Service Commission, the city of Stanberry, Missouri, and the city of Grant City, Missouri.
- (f) Seller's Satisfaction – Performance. Seller and the Shareholders are reasonably satisfied that Purchaser, and each guarantor of Purchaser's obligations under the Transition Promissory Note are able to timely perform their obligations thereunder.

ARTICLE III Representations and Warranties Concerning the Seller and the Business

As a material inducement to the Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, the Shareholders and the Seller jointly and severally hereby represent and warrant to the Purchaser as of the date hereof and as of the Closing Date as follows:

Section 3.1 Organization; Authority; No Breach.

- (a) Seller is a corporation validly existing and in good standing under the Laws of the State of Missouri, and possesses all requisite corporate power and authority necessary to own

and operate the Purchased Assets and the Business and to carry out the transactions contemplated by this Agreement.

(b) The execution, delivery and performance of this Agreement and all other Transaction Documents to which Seller is a party have been duly authorized by all requisite corporate action by Seller. This Agreement and all other Transaction Documents to which Seller is a party, when executed and delivered by Seller (assuming due and valid authorization, execution and delivery by the other parties hereto and thereto) in accordance with the terms hereof and thereof, shall each constitute a valid and binding obligation of Seller, enforceable in accordance with its terms, in each case subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights and remedies generally.

Section 3.2 Title to, and Sufficiency of Purchased Assets.

(a) The Seller has good and valid title to, or a valid license or leasehold interest in, all of the Purchased Assets. All such Purchased Assets are free and clear of Liens, except Liens to be released at the time of Closing, if any.

(b) The Purchased Assets and the rights granted to Purchaser pursuant to the Water Rights Agreement are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the Business as currently conducted.

Section 3.3 Absence of Certain Developments.

Since December 31, 2019, the Seller has not caused the Business not to take any action that would have a Material Adverse Effect on the Business nor does the Seller have any knowledge of any occurrence that would have a Material Adverse Effect on the Business.

Section 3.4 Litigation.

There are, and since the date that is three (3) years immediately prior to the date hereof there have been, no Actions or Orders asserting a material claim against the Business, pending or, to the Knowledge of the Seller, threatened against Seller in connection with any material aspect of the operation of the Business, at law or in equity, including any Actions with respect to the transactions contemplated by this Agreement. To the Knowledge of the Seller, there is no valid basis for any such Action or Order.

Section 3.5 Brokerage.

There are and shall be no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement to which the Seller is a party or subject.

Section 3.6 Compliance with Laws; Permits.

(a) To Seller's Knowledge, Seller and its officers, directors, agents and employees are in compliance, in all material respects, with, any and all Laws (including any policies having the force and effect of law, any rules of common law and any judicial or administrative interpretations thereof) relating to the operation of the Business, and the maintenance and operation of the Purchased Assets. Notwithstanding the foregoing, Seller hereby discloses that in 2017, Seller received a notice of violation from the Missouri Department of Natural Resources (“DNR”) due to an employee’s failure to report a few instances of high chlorine levels in the water produced at the Water Company Facility and the remedial efforts taken to correct such issue. Seller represents and warrants that it has cured and/or remedied any violations alleged by DNR and that Seller is currently negotiating final resolution of said allegations, which it expects to finalize prior to Closing. In the event Seller has not reached a final resolution with the DNR prior to Closing, Seller shall indemnify Purchaser as provided in Section 7.2.

(b) Seller has made available to Purchaser true and complete copies of all insurance and other approvals, authorizations, consents, licenses, sublicenses, permits, variances, franchises, orders, registrations and certificates of a Government Entity (“Permits”) owned or possessed by the Seller or which are otherwise required for the Seller to conduct the Business. There is no default or violation, and to the Knowledge of the Seller, no event has occurred which, with notice or the lapse of time, would constitute a material default or violation, of any term, condition or provision of any Permit and, to the Knowledge of the Seller, there is no Action pending or threatened, which relates to the suspension, revocation or modification of any Permit. No loss or expiration of any Permit is pending or, to the Knowledge of the Seller, threatened other than expiration in accordance with the terms thereof.

Section 3.7 Environmental Matters.

Except as set forth on Schedule 3.7:

(a) To Seller's Knowledge, the Seller’s operation of the Business and the Purchased Assets are, and have been, in material compliance with all Environmental Laws, and any prior noncompliance by the Seller has been resolved without any pending, ongoing or future Liability.

(b) Except as disclosed in Section 3.6(a), the Seller has not received any written or oral notice, report or other information regarding any actual or alleged material violation of, or Liability under, Environmental Laws and there are no Actions pending or, to the Knowledge of the Seller, threatened against or affecting the Business or the Purchased Assets relating to Environmental Laws. To Seller’s Knowledge, no basis exists that could reasonably be expected to give rise to Liability under any Environmental Laws in connection with the operation of the Business.

(c) Neither the Business nor any Purchased Asset is currently, and to the Knowledge of Seller, other than as disclosed in Section 3.6(a), has never been, subject to any Action pursuant to Environmental Laws or relating to any Hazardous Substance.

(d) To Seller's Knowledge, in its operation of the Business, the Seller has not treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, Released, or

exposed any Person to any Hazardous Substance, or owned or operated any property or facility which is or has been contaminated by any Hazardous Substance, so as to give rise to any current or future material Liabilities of the Seller with respect to the Business under any Environmental Laws (including CERCLA).

(e) To Seller's Knowledge, none of the Real Property is listed or has been proposed for listing on the National Priorities List or the Comprehensive Environmental Response, Compensation and Liability Information System under CERCLA or any similar or analogous list established or maintained by any Governmental Entity.

(f) In its operation of the Business, the Seller has not manufactured, sold, marketed, installed or distributed products or items containing asbestos, silica, mercury or other Hazardous Substances in violation of applicable Law, and to Seller's Knowledge, has no Liability with respect to the presence or alleged presence of any Hazardous Substance in any product or item or at or upon any property or facility.

(g) To Seller's Knowledge, neither this Agreement nor the consummation of the transactions contemplated hereby shall impose any Liabilities on the Business or Purchased Assets or otherwise for site investigation or cleanup, or notification to or consent of any Governmental Entity or third parties under any Environmental Law (including any so called "transaction-triggered" or "responsible property transfer" laws and regulations).

(h) None of the following currently exists, and, to Seller's Knowledge, has not existed with respect to the Business or Purchased Assets: (i) underground storage tanks; (ii) landfills, dumps, or waste disposal areas; (iii) asbestos-containing material in any form or condition; (iv) materials or equipment containing polychlorinated biphenyls; or (iv) drinking water wells, production water wells, or monitoring wells.

Section 3.8 Real Property.

Except for the Excluded Real Property, Seller does not own any parcel of real property, whether or not used in or necessary for the conduct of the Business as currently conducted.

Section 3.9 "AS IS" Disclaimer.

THE PARTIES ACKNOWLEDGE AND AGREE THAT EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE III, SELLER AND SHAREHOLDERS DO NOT MAKE AND HAVE NOT MADE ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, WRITTEN OR ORAL, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, AS TO ANY FACT OR MATTER WITH RESPECT TO THE PURCHASED ASSETS OR THE BUSINESS, INCLUDING WITHOUT LIMITATION IN REGARD TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION OR DESIGN OR ARISING BY STATUTE OR OTHERWISE IN LAW, FROM A COURSE OF DEALING OR USAGE OF TRADE OR OTHERWISE. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE III, SELLER AND SHAREHOLDERS HEREBY SPECIFICALLY DISCLAIM ANY WARRANTY, ASSURANCE, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT OR FUTURE, OF, AS TO, OR CONCERNING (A) THE NATURE, CONDITION OF THE PURCHASED ASSETS, (B) THE SUITABILITY OF THE PURCHASED ASSETS

FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY ELECT TO CONDUCT IN RELATION THERETO, (C) THE COMPLIANCE OF THE BUSINESS WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENT OR OTHER BODY, AND (D) EXCEPT AS OTHERWISE PROVIDED IN THE TRANSACTION DOCUMENTS TO WHICH SELLER AND/OR SHAREHOLDERS ARE A PARTY, THE POST-CLOSING ECONOMIC PERFORMANCE OF THE PURCHASED ASSETS AND BUSINESS, INCLUDING WITHOUT LIMITATION, POST-CLOSING REVENUES, OPERATING EXPENSES, CAPITAL EXPENSES, NET INCOME OR NET LOSS. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE III, SELLER FURTHER DISCLAIMS ANY WARRANTY, ASSURANCE, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, REGARDING PROJECTIONS, BUDGETS OR OTHER FORWARD LOOKING FINANCIAL DATA, REPORTS, OR SUMMARIES. PURCHASER ACKNOWLEDGES AND AGREES THAT IT IS NOT RELYING ON ANY STATEMENT OR REPRESENTATION MADE BY OR ON BEHALF OF SELLER EXCEPT AS SPECIFICALLY SET FORTH IN THIS ARTICLE III AND THE TRANSACTION DOCUMENTS TO WHICH SELLER AND/OR SHAREHOLDERS ARE A PARTY. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, PURCHASER IS ACCEPTING THE PURCHASED ASSETS ON AN “AS IS WHERE IS, WITH ALL FAULTS” BASIS.

ARTICLE IV Representations and Warranties of the Shareholders

As a material inducement to the Purchaser to enter into this Agreement and to consummate the transactions contemplated hereby, the Shareholders hereby separately and individually, represent and warrant to the Purchaser as of the date of this Agreement and as of the Closing Date as follows:

Section 4.1 Authorization; No Breach.

(a) The Shareholders have the legal right, capacity and power to execute and deliver this Agreement and the other Transaction Documents to which they are a party and to consummate the transactions contemplated hereby and thereby. This Agreement and all other Transaction Documents to which the Shareholders are a party have been or will be duly executed and delivered by the Shareholders. This Agreement and all other Transaction Documents or instruments contemplated hereby and thereby to which the Shareholders are a party or by which the Shareholder is bound, when executed and delivered by the Shareholders (assuming due and valid authorization, execution and delivery by the other parties hereto and thereto) in accordance with the terms hereof, shall each constitute a valid and binding obligation of the Shareholders, enforceable in accordance with its terms, in each case subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors’ rights and remedies generally.

(b) Neither the execution, delivery and performance by the Shareholders of this Agreement and the other Transaction Documents to which the Shareholders are a party, nor the consummation of the transactions contemplated hereby and thereby, do not and shall not (i) conflict with or result in a violation or breach of the terms, conditions or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) result in the creation of any Lien upon the Purchased Assets pursuant to, (iv) give

any third party the right to modify, terminate or accelerate any obligation under, (v) result in a violation of, or (vi) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any third party or Government Entity pursuant to, (A) any Law to which the Shareholders are subject, or (B) any material agreement or Order to which the Shareholders are subject.

Section 4.2 Brokerage.

There are and shall be no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement to which the Shareholders are a party or subject.

Section 4.3 Litigation, etc.

There are no Actions pending or, to the Knowledge of the Shareholders, threatened against or affecting the Shareholders that seeks to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated by this Agreement or the other Transaction Documents.

ARTICLE V Representations and Warranties of Purchaser

As a material inducement to the Seller and the Shareholders to enter into this Agreement and consummate the transactions contemplated hereby, Purchaser hereby represents and warrants to the Seller and the Shareholders as of the date of this Agreement and as of the Closing Date as follows:

Section 5.1 Organization and Power.

Purchaser is a corporation validly existing and in good standing under the Laws of its state of incorporation. Purchaser possesses all requisite corporate power and authority necessary to own and operate its properties, to carry on its businesses and to carry out the transactions contemplated by this Agreement. Purchaser is not in default under or in violation of any provision of its Governing Documents.

Section 5.2 Authorization; No Breach.

(a) The execution, delivery and performance of this Agreement and all other Transaction Documents to which Purchaser is a party or by which Purchaser is bound have been duly authorized by all requisite corporate action. This Agreement and all other Transaction Documents to which Purchaser is a party or by which the Purchaser is bound, when executed and delivered by Purchaser (assuming due and valid authorization, execution and delivery by the other parties hereto and thereto) in accordance with the terms hereof and thereof, shall each constitute a valid and binding obligation of Purchaser, enforceable in accordance with its terms, in each case subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights and remedies generally.

(b) Neither the execution and the delivery of this Agreement or the other Transaction Documents, nor the consummation of the transactions contemplated hereby or thereby, will

(i) violate any provision of the Governing Documents of the Purchaser; (ii) violate any Order to which Purchaser is subject; (iii) conflict with, result in a violation or breach of any Contract, constitute (with or without due notice or lapse of time or both) a default under, result (either alone or in combination with another event) in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or result in the obligation to make any payment (including any change of control, severance or similar payments) or require any notice under any Contract to which the Purchaser is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets); or (iv) violate any Law to which Purchaser is subject.

(c) The Purchaser does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Government Entity in connection with the consummation of the transactions contemplated by this Agreement or the other Transaction Documents.

Section 5.3 Litigation, etc.

There are no Actions pending or, to the Knowledge of Purchaser, threatened against or affecting Purchaser in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby.

Section 5.4 Brokerage.

There are and shall be no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement to which the Purchaser is a party or subject.

ARTICLE VI Pre-Closing Covenants

Section 6.1 Access to Information.

From and after the date hereof until Closing, Seller: (a) will give the Purchaser and its agents reasonable access during normal business hours, on reasonable notice and under the supervision of the Seller's personnel, to the properties, books and records of and relating to the Purchased Assets and the Business; (b) will furnish to Purchaser and its agents such financial and operating data and other information with respect to the Business and Purchased Assets as such Persons may reasonably request in writing; and (c) will reasonably cooperate with Purchaser in its investigation of the Business. The Purchaser will coordinate such access through Brock, and shall in all events, minimize any disruption to the Business, and Seller's operations.

Section 6.2 Conduct of Business by the Seller.

Except as contemplated by this Agreement or with the prior written consent of the Purchaser which shall not be unreasonably withheld, conditioned or delayed, the Seller shall: (i) conduct the Business in the ordinary course of business consistent with past practice (ii) maintain the Purchased Assets in the same condition as they were on the date of this Agreement, subject to reasonable wear and tear, condemnation and casualty, (iii) maintain the books and records of the Business in accordance with past practice, and (iv) comply in all material respects, with all Laws

applicable to the Business, and maintain in full force and effect, and comply in all material respects with, all of the Permits, as applicable. Notwithstanding the foregoing, prior to Closing, Seller may transfer the Excluded Assets to the Shareholders.

Section 6.3 Efforts; Further Assurances.

Subject to the terms and conditions herein provided, each of the parties hereto shall use its best efforts to take, all action, and to do all things reasonably necessary, proper or advisable under applicable Laws to cause the satisfaction, but not waiver, of the conditions of the other parties hereto set forth in ARTICLE II hereof and to consummate and make effective the transactions contemplated by this Agreement.

Section 6.4 Notification.

From the date hereof until the Closing, the Seller and the Shareholders shall disclose to the Purchaser in writing in reasonable detail (in the form of updated schedules) any variances from the representations and warranties contained in ARTICLE III and ARTICLE IV and of any other fact or event that would cause or constitute a breach of the covenants in this Agreement made by the Shareholders or Seller, in each case promptly upon discovery thereof (each such disclosure referred to herein as a “Variance”). Such Variances shall amend and supplement the applicable disclosure schedules delivered on the date hereof solely with respect to any matter arising (or, in the case of matters for which such party’s disclosure obligation hereunder is limited to the Knowledge of such party, discovered) after the date hereof. Upon Purchaser’s receipt of written notice regarding one or more Variances, Purchaser shall have the right to provide the Shareholders or the Seller with a written termination notice pursuant to this Section within ten (10) Business Days (“Review Period”) after the day on which Purchaser’s receives Seller or the Shareholders’ notice of any Variance pursuant to this Section. To the extent necessary, the Closing shall be automatically extended until expiration of the Review Period. Purchaser’s failure to timely deliver such termination notice, shall constitute Purchaser’s approval of the Variance and Closing shall take place on the first (1st) Business Day following the expiration of the Review Period. The delivery of any updated disclosure schedules disclosing a Variance shall cure any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of such Variance.

ARTICLE VII Indemnification

Section 7.1 Survival of Representations and Warranties.

The representations and warranties of Purchaser, the Shareholders and the Seller in this Agreement or in any certificate delivered hereunder, shall survive the Closing and terminate on the date that is twelve (12) months following the Closing Date, except that the representations and warranties set forth in Section 3.1 (Organization; Authority; No Breach), Section 3.2 (Title to and Sufficiency of Purchased Assets), Section 3.5 (Brokerage), Section 3.7 (Environmental Matters), Section 4.1 (Authorization; No Breach), Section 4.2 (Brokerage), Section 5.1 (Organization and Power), Section 5.2 (Authorization; No Breach), and Section 5.4 (Brokerage) shall survive for a period of three (3) years after Closing, (collectively, hereinafter referred to as, the “Fundamental Representations”). Notwithstanding the foregoing, any representation or

warranty in respect of which indemnity may be sought under this Article VII, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 7.1 if written notice of the inaccuracy or breach thereof, describing the factual basis of the claim in reasonable detail, giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to any applicable limitation date (as applicable, the "Limitation Date") until the claim for indemnity with respect to such breach is finally resolved and satisfied and such rights to indemnification shall apply to Losses arising both prior to and after such Limitation Date. In connection with the foregoing, Purchaser acknowledges that it has had the opportunity to conduct comprehensive due diligence and investigation with respect to the Seller, the Purchased Assets, and the Business, and in no event shall the Seller or Shareholders have any liability to Purchaser, its affiliates or any Purchaser Indemnified Parties, as defined below, with respect to a breach of any representation, or warranty or covenant under this Agreement to the extent that the Purchaser was aware of or to the knowledge of Purchaser should have been aware of such breach as of the date of this Agreement and/or as of the Closing Date.

Section 7.2 Indemnification Obligations and Procedures.

(a) Indemnification Obligations of the Seller. Subject to the limitations set forth in Section 7.2(c) hereof, the Seller shall, indemnify the Purchaser, its members, directors, officers, employees, and agents (collectively hereinafter referred to as the "Purchaser Indemnified Parties"), and save and hold the Purchaser Indemnified Parties harmless against and pay on behalf of or reimburse such Purchaser Indemnified Parties as and when incurred for any loss, Liability, Action, cause of action, cost, damage or expense, Tax or diminution in value (including interest, penalties, reasonable attorneys', consultants' and experts' fees and expenses and all amounts paid in investigation, defense or settlement of any of the foregoing or in asserting, preserving or enforcing their rights hereunder) (collectively, "Losses"), which any Purchaser Indemnified Party may suffer as a result of: (i) any breach of any representation or warranty made by Seller or the Shareholders in this Agreement or any other Transaction Document; (ii) any breach by Seller or the Shareholders of any covenant or obligation of Seller or the Shareholders under this Agreement; (iii) any Excluded Liability or Excluded Asset; (iv) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with Seller or the Shareholders (or any Person acting on their behalf) in connection with the transactions contemplated herein; and (v) any claim or Action involving Seller that is pending as of the Closing Date, or arises after Closing with respect to matters that occurred prior to Closing with regard to the Business or the Purchased Assets or any Excluded Assets. Notwithstanding the foregoing, the Deductible and Indemnification Cap shall not apply to any claim or Action relating to or arising out of the DNR matter identified in Section 3.6(a) hereof and Seller shall remain solely liable for any and all fines or other monetary obligations resulting from said DNR matter.

(b) Indemnification Obligations of the Purchaser. From and after the Closing, subject to the limitations set forth herein, the Purchaser shall indemnify the Seller, and its Shareholders, employees, officers, directors, and agents (collectively, the "Seller Indemnified Parties") and save and hold each of them harmless against and pay on behalf of or reimburse such Seller Indemnified Parties as and when incurred for any Losses which any Seller Indemnified Party

may suffer as a result of: (i) any breach of any representation or warranty made by Purchaser in this Agreement or any other Transaction Document; (ii) any breach by Purchaser of any covenant or obligation of Purchaser under this Agreement; (iii) any Liability relating to the Business or Purchased Assets for matters arising out of, or related to, events occurring after the Closing; or (iv) any claim by any Person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such Person with Purchaser (or any Person acting on Purchaser's behalf) in connection with the transactions contemplated herein.

(c) Additional Limitations and Provisions on Indemnification Obligations.

(i) Notwithstanding the foregoing, the Seller and the Shareholders shall not be required to indemnify the Purchaser Indemnified Parties in respect of any Loss subject to indemnification under Section 7.2(a)(i) or Section 7.2(a)(ii) unless and until the aggregate of all Losses subject to indemnification under such sections (other than Losses thereunder to which the Deductible does not apply in accordance with the last sentence of this Section 7.2(c)(i)) exceeds Fifty Thousand Dollars (\$50,000) (the "Deductible"), in which case the Seller shall be required to indemnify the Purchaser Indemnified Parties for only such Losses in excess of the Deductible, up to a maximum aggregate liability of Seller hereunder equal to the Purchase Price (the "Indemnification Cap"). Neither the Deductible nor the Indemnification Cap shall apply to Losses to the extent such Losses arise from or relate to Fraud, warranty claims by any Person for work performed prior to Closing by or on behalf of Seller, or a breach of a Fundamental Representation, and, for the avoidance of doubt, shall not apply in any claim for indemnification pursuant to Section 7.2(a)(iii) through Section 7.2(a)(iv).

(ii) Notwithstanding the foregoing, the Purchaser shall not be required to indemnify the Seller Indemnified Parties in respect of any Loss subject to indemnification under Section 7.2(b)(i) or Section 7.2(b)(ii) unless and until the aggregate of all Losses subject to indemnification under Section 7.2(b)(i) or Section 7.2(b)(ii) (other than the Fundamental Representations) exceeds the Deductible, in which case the Purchaser shall be required to indemnify the Seller Indemnified Parties for Losses only in excess of the Deductible up to the Indemnification Cap. Notwithstanding anything herein to the contrary, with respect to indemnification obligations of the Purchaser, neither the Deductible nor the Indemnification Cap shall apply to Losses to the extent such Losses arise from or relate to Fraud or a breach of any Fundamental Representations, and, for the avoidance of doubt, shall not apply in any claim for indemnification pursuant to Section 7.2(b)(iii), or the obligation to pay the Purchase Price.

(iii) Manner of Payment. Any indemnification of the Purchaser Indemnified Parties or the Seller Indemnified Parties pursuant to this Section 7.2 shall be effected by wire transfer of immediately available funds from the Seller and the Shareholders (on a joint and several basis) or the Purchaser, as the case may be, to an account designated in writing by the applicable Purchaser Indemnified Party or Seller Indemnified Party, as the case may be, within fifteen (15) days after the determination thereof that is binding on the party to provide indemnification under this Section 7.2 (the "Indemnitor"). Notwithstanding the foregoing, as long as there is any amounts outstanding and owing

from the Purchaser to the Seller (including, without limitation, the Subordinated Promissory Note), any indemnification owed by Seller or the Shareholders to the Purchaser Indemnified Parties (after such time as the liability has been agreed between the parties or determined by appropriate court) may, at the Seller's election, be satisfied in part or in full by set-off against such amounts that may become due and owing from the Purchaser to Seller.

(d) Further Limitation on Indemnification. Notwithstanding anything to the contrary elsewhere in this Agreement, no Indemnitor shall, in any event, be liable to any Person entitled to indemnification under this Section 7.2 (the "Indemnatee") for any Losses that are consequential, indirect, special or punitive damages of such Indemnatee, including loss of revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach of any representation or warranty made hereunder.

(e) Exclusive Remedy. From and after the Closing, the remedies provided by this Article VII, subject to the applicable limitations set forth herein, shall be the sole and exclusive remedies of the Purchaser Indemnified Parties and the Seller Indemnified Parties for the recovery of Losses resulting from, relating to or arising out of this Agreement (except as set forth in Section 10.15 (Termination) and in the case of claims for Fraud or claims under the other Transaction Documents); provided that the foregoing shall not limit the availability to any party hereof of injunctive or other equitable relief with respect to any breach of this Agreement, including specific performance.

ARTICLE VIII Post-Closing Covenants

Section 8.1 General.

In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Article VII, in which case the requested party shall be responsible for such costs).

Section 8.2 Transition Services. Commencing immediately after Closing, and continuing thereafter until the second anniversary thereof (the "Transition Period"), Brock agrees to provide certain transition and consulting services to the Purchaser on an as-needed, as-available basis at no additional charge to the Purchaser. Such services shall include consultation regarding various bookkeeping and record keeping aspects of the Business. The parties acknowledge and agree to work in good-faith as to the timing and amount of transition services to be provided pursuant to the Section 8.2, and that in no event shall Brock be required to provide more than twenty (20) hours of transition and/or consulting services per any calendar month during the Transition Period.

Section 8.3 Tax Matters.

Notwithstanding anything in this Agreement to the contrary, the following provisions shall govern the allocation of responsibility as between the Seller and Purchaser for Tax matters following the Closing Date.

(a) Pre-Closing Taxes.

Seller and the Shareholders shall remain liable and shall jointly and severally indemnify and hold Purchaser Indemnified Parties harmless from and against any Loss attributable to all Income Taxes (or the non-payment thereof) of or arising with respect to the Business for all Pre-Closing Tax Periods. The Seller shall reimburse Purchaser for any Taxes of the Business or other amounts that are the responsibility of Seller pursuant to this Section 8.3(a) within fifteen (15) days after receiving written notice from Purchaser that payment of such Taxes has either been made or will be made by Purchaser.

(b) Straddle Period Allocation.

In the case of any taxable period that includes (but does not end on) the Closing Date (a “Straddle Period”), (i) the amount of any Income Taxes for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which Seller holds a beneficial interest shall be deemed to terminate at such time) and (ii) the amount of any other Taxes for the Pre-Closing Tax Period shall be deemed to be the amount of such other Taxes for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the Straddle Period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period.

(c) Cooperation on Tax Matters.

(i) Purchaser and Seller shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party’s request) the provision of records and information reasonably relevant to any such audit, litigation, or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. For a period of three (3) years following the Closing, Seller and Purchaser agree (A) to retain all books and records with respect to Tax matters pertinent to the Business relating to any taxable period beginning before the Closing Date (and, to the extent notified by Purchaser or Seller, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (B) to give the other party reasonable written notice prior to transferring, destroying or discarding any such books and records.

(ii) Purchaser and Seller further agree, upon the written request of the other, to use their commercially reasonable efforts to obtain any certificate or other document from any Government Entity or any other Person as may be necessary to mitigate, reduce

or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

(iii) The Purchaser and the Seller further agree, upon request, to provide each other party all information that the other parties may be required to report pursuant to Sections 6043 and 6043A of the Code and all Treasury Regulations promulgated thereunder.

(d) Transfer Taxes. All liabilities for sales, use, value-added, registration, recording charges and similar Taxes, fees or charges imposed as a result of the consummation of the transactions contemplated by this Agreement (collectively, the “Transfer Taxes”), together with any interest, penalties or additions to such Transfer Taxes, shall be paid by the Seller. Purchaser and the Seller shall cooperate in filing all necessary Tax Returns under applicable Law with respect to Transfer Taxes.

ARTICLE IX Definitions

Section 9.1 Definitions.

The terms defined in Annex A hereto, whenever used herein, shall have meanings set forth on Annex A for all purposes of this Agreement. The definitions on Annex A are incorporated into this Agreement as if fully set forth at length herein and all references to a section in such Annex A are references to such section of this Agreement.

Section 9.2 Usage.

(a) Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

(b) The word “will” shall be construed to have the same meaning and effect as the word “shall.”

(c) The word “or” shall not be exclusive.

(d) The phrase “to the extent” shall mean the degree to which a subject or other matter extends, and such phrase shall not simply mean “if.”

(e) The words “hereof”, “herein”, “hereto”, and “hereunder”, and words of similar import, shall refer to this Agreement as a whole and not any particular provision of this Agreement.

(f) Words denoting any gender shall include all genders. Where a word is defined herein, references to the singular shall include references to the plural and vice versa.

(g) A reference to any party to this Agreement or any other agreement or document shall include such party’s successors and permitted assigns.

(h) All references to “\$” and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(i) All references to a day or days shall be deemed to refer to a calendar day or calendar days, as applicable, unless otherwise specifically provided and any reference to the calculation of a number of days shall not include the day from which such calculation is to be made.

ARTICLE X Miscellaneous

Section 10.1 Fees; Expenses.

The Purchaser will be responsible for all costs and expenses incurred by the Purchaser and its Affiliates in connection with the negotiation, preparation and entry into this Agreement and the other Transaction Documents and consummation of the transactions contemplated hereby and thereby. The Seller and the Shareholders will be responsible for all costs and expenses incurred by them in connection with the negotiation, preparation and entry into this Agreement and other Transaction Documents and the consummation of the transactions contemplated hereby and thereby.

Section 10.2 Public Announcements.

Except as may be required to comply with the requirements of any applicable Law to which the Purchaser is a party, no party will issue any press release or other public announcement relating to the subject matter of this Agreement or the transactions contemplated hereby without the prior written approval (which approval may not be unreasonably withheld or delayed) of the other party prior to the Closing and without the approval of the Purchaser following the Closing.

Section 10.3 Consent to Amendments; Waivers.

This Agreement may be amended, or any provision of this Agreement may be waived upon the approval, in a writing, executed by the parties hereto. No course of dealing between or among the parties hereto shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any such party under or by reason of this Agreement. A waiver by any party of any term or condition of this Agreement in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

Section 10.4 Severability.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held to be prohibited by, illegal or unenforceable under applicable Law or rule in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. The parties agree that a court of competent jurisdiction making a

determination of the invalidity or unenforceability of any term or provision of this Agreement shall have the power to reduce the scope, duration or area of any such term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

Section 10.5 Counterparts; Delivery by Facsimile or PDF.

This Agreement and the other Transaction Documents may be executed in one or more counterparts (including by means of telecopied signature pages or signature pages delivery by electronic transmission in portable document format (pdf)), all of which taken together shall constitute one and the same instrument. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties.

Section 10.6 Descriptive Headings; Interpretation.

The headings and captions used in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. Each provision of this Agreement shall be given independent significance. Without limiting the generality of the foregoing, in no event shall the purchase price adjustments provided for herein limit, prejudice or restrict, or be deemed to limit, prejudice or restrict, the rights to indemnification of any party hereunder.

Section 10.7 Entire Agreement.

This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding among the parties hereto with respect to the subject matter hereof whether written or oral, relating to such subject matter in any way and replace and supersede in their entirety all prior agreements and understandings (including the Letter of Intent), all of which prior agreements and understandings and prior drafts of this Agreement shall be disregarded for purposes of interpreting this Agreement.

Section 10.8 No Third-Party Beneficiaries.

This Agreement is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give any Person any legal or equitable rights hereunder, other than the parties hereto, the Purchaser Indemnified Parties (to the extent not a party hereto), the Seller Indemnified Parties (to the extent

not a party hereto), and their respective permitted successors and assigns, each of whom shall be entitled to enforce the provisions of this Agreement in which they are referenced.

Section 10.9 Schedules and Exhibits.

All Schedules and Exhibits attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

Section 10.10 Governing Law.

All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the Schedules and Exhibits hereto shall be governed by, and construed in accordance with, the Laws of the State of Missouri without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Missouri or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Missouri. In furtherance of the foregoing, the internal Law of the State of Missouri shall control the interpretation and construction of this Agreement (and all Schedules and Exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive Law of some other jurisdiction would ordinarily apply.

Section 10.11 Consent to Jurisdiction.

Each party to this Agreement, by its execution hereof, (a) hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of Missouri for the purpose of any Action (in contract, tort or otherwise) arising out of or based upon this Agreement or relating to the subject matter hereof, (b) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Action (in contract, tort or otherwise) any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above-named courts is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court and (c) hereby agrees not to commence any Action (in contract, tort or otherwise) arising out of or based upon this Agreement or relating to the subject matter hereof other than before one of the above-named courts nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such Action (in contract, tort or otherwise), to any court other than one of the above-named court whether on the grounds of inconvenient forum or otherwise. Each party hereby consents to service of process in any such proceeding in any manner permitted by the Laws of the State of Missouri, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 10.13 is reasonably calculated to give actual notice.

Section 10.12 WAIVER OF JURY TRIAL.

TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HERETO HEREBY WAIVES, AND COVENANTS THAT HE OR IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION, SUIT (IN CONTRACT, TORT OR

OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING. EACH PARTY ACKNOWLEDGES THAT HE OR IT HAS BEEN INFORMED BY THE OTHER PARTIES THAT THIS SECTION CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH THE PARTIES ARE RELYING AND WILL RELY IN ENTERING INTO THIS AGREEMENT AND ANY OTHER AGREEMENTS RELATING HERETO OR CONTEMPLATED HEREBY. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

Section 10.13 Notices.

All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) if personally delivered, on the date of delivery, (ii) if delivered by express courier service of national standing for next day delivery (with charges prepaid), on the Business Day following the date of delivery to such courier service, (iii) if deposited in the United States mail, sent certified or registered mail, return receipt requested and postage prepaid, on the date of delivery, (iv) if delivered by telecopy, provided the relevant transmission report indicates a full and successful transmission, (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission, or (v) if delivered by Internet mail, provided the relevant computer record indicates a full and successful transmission or no failure message is generated (x) on the date of such transmission, if such transmission is completed at or prior to 5:00 p.m., local time of the recipient party, on the date of such transmission, and (y) on the next Business Day following the date of transmission, if such transmission is completed after 5:00 p.m., local time of the recipient party, on the date of such transmission. Notices, demands and communications to the Seller, the Shareholders or the Purchaser shall, unless another address is specified in writing pursuant to the provisions hereof, be sent to the address indicated below:

To Seller or the Shareholders:

Middlefork Water Company
c/o Brock Pfost
PO Box 468
Maryville, MO 64468
Email: whiteclld@unitedsky.net

To the Purchaser:

Public Water Supply District No.1 of Nodaway
County
c/o Mr. Norman Wilson
120 East 3rd Street,
Maryville, MO 64468
Email: normanlewiswilson@gmail.com

with a copy to:

Pansing Hogan Ernst & Bachman LLP
10250 Regency Circle, Suite 300
Omaha, NE 68114
Attn: Benjamin J. Pick
Fax: (402) 397-4853
Email: bpick@pheblaw.com

with copy to:

Morton Reed Counts Briggs & Robb
400 Jules Street, Suite 320
St. Joseph, MO 64501
Attn: Nicholas K. Robb
Fax: (816) 232-8411
Email: nrobb@mortonreedlaw.com

Section 10.14 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of the authorship of any of the provisions of this Agreement.

Section 10.15 Termination.

(a) Except as otherwise provided herein, this Agreement may be terminated at any time before the Closing: (i) by mutual written consent of the Seller and the Purchaser, (ii) by the Seller pursuant to written notice to the Purchaser, if the Purchaser shall have breached in any material respect any of its representations or warranties, (iii) by the Seller pursuant to written notice to the Purchaser, if the Purchaser breaches or fails to comply in any material respect with any of its covenants or agreements contained herein, and such breach or failure to comply is not cured within ten (10) days of the Seller delivering written notice to the Purchaser of such breach or failure to comply, (iv) by the Purchaser, pursuant to written notice to the Seller, if the Seller shall have breached in any material respect any of its representations or warranties, (v) by the Purchaser, pursuant to written notice to the Seller, if the Seller breaches or fails to comply in any material respect with any of its covenants or agreements contained herein, and such breach or failure to comply is not cured within ten (10) days of the Purchaser delivering written notice to the Seller of such breach or failure to comply.


(b) In the event of termination of this Agreement pursuant to Section 10.15(a), except as for the rights and obligations set forth herein which expressly survive termination, this Agreement shall forthwith become void and have no further effect, without any liability on the part of any party hereto or its Affiliates, managers, members, officers, directors, shareholders or representatives. The provisions of this Agreement which by their terms are intended to survive Closing or termination of this Agreement, including, without limitation, Article VII and Article X (including the related definitions), shall survive any termination of this Agreement.

***[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW]***

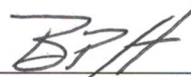
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

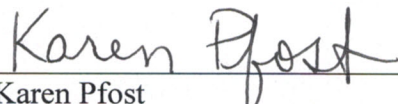
PURCHASER:

**PUBLIC WATER SUPPLY DISTRICT
NO. 1 OF NODAWAY COUNTY,
MISSOURI,**
a Missouri public corporation

By: 
Name: Normal Wilson
Title: PRESIDENT, BOARD OF DIRECTORS

SHAREHOLDERS:


Brock Pfost


Karen Pfost

SELLER:

MIDDLEFORK WATER COMPANY,
a Missouri corporation

By: 
Name: Brock Pfost
Title: President

ANNEX A

“Action” means any actual action, suit, litigation, controversy, hearing, pending hearing, proceeding, complaint, claim, charge, demand, audit, inquiry or investigation by or before any Government Entity or any other Person, including any arbitrator, mediator or dispute resolution panel.

“Affiliate” of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract, proxy, agent or otherwise.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Business” has the meaning set forth in the recitals hereof.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in Nodaway County, Missouri.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

“Closing” has the meaning set forth in Section 1.6.

“Closing Date” has the meaning set forth in Section 1.6.

“Closing Date Payment” has the meaning set forth in Section 1.4.

“Code” means the Internal Revenue Code of 1986, as amended.

“Disparaging Statements” means any statements which may in any way, directly or indirectly, disparage or defame a Person, provided that the foregoing shall not apply with respect to any such statements: (i) required to be made by law or asked during a deposition, (ii) required in response to any governmental, administrative or regulatory investigation or audit, (iii) required in any legal or administrative proceedings, or (iv) required to be made during any enforcement actions undertaken with respect to this Agreement or the other Transaction Documents.

“Environmental Laws” shall mean all federal, state, local and foreign statutes, regulations and ordinances, and all other provisions having the force or effect of law, and all common law, concerning pollution, human health and safety, occupational health and safety, Hazardous Substances, solid waste, recyclables or protection of the environment.

“Excluded Assets” has the meaning set forth in Section 1.2.

“Excluded Liabilities” and “Excluded Liability” has the meaning set forth in Section 1.3.

“Excluded Real Property” has the meaning set forth in Section 1.2(a).

“Fraud” means an intentional misrepresentation or concealment of a material existing fact made by one party to the other party with Knowledge of its falsity and for the purpose of inducing the receiving party to enter into this Agreement, or act under this Agreement, and upon which the receiving party reasonably relies with resulting damage.

“Fundamental Representations” has the meaning set forth in Section 7.1.

“Governing Documents” means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the “Governing Documents” of a corporation would be its articles of incorporation and by-laws, the “Governing Documents” of a limited partnership are its certificate of formation and its limited partnership agreement and the “Governing Documents” of a limited liability company are its certificate of formation and its limited liability company agreement.

“Government Entity” means individually, and “Government Entities” means collectively, the United States of America or any other nation, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any court, in each case having jurisdiction over the Business.

“Hazardous Substance” means any substance or waste that is listed, defined, designated or classified as hazardous, toxic, corrosive or otherwise regulated under applicable Law or a Government Authority or that may serve as a basis for Liability under applicable Law, and includes petroleum products and byproducts, asbestos-containing material, polychlorinated biphenyls, lead-containing products, biological or infectious agents and mold.

“Income Tax” means any federal, state, local, provincial or foreign Tax based on, measured by or with respect to income, net worth or capital, including any interest, penalty or addition thereto.

“Indemnitee” has the meaning set forth in Section 7.2(d).

“Indemnitor” has the meaning set forth in Section 7.2(c)(iii).

“Knowledge” means: (i) with respect to Seller, the information, conditions, circumstances, data and documents (as used in this definition, collectively referred to as, “information”) actually known to Seller or a Shareholder; and (ii) in the case of Purchaser, the information actually known to Purchaser or Purchaser’s agents; or (B) if information referred to in (A) of this subsection (ii) is such that it would cause a reasonable business executive to investigate further, information which was or would have been discovered by a Purchaser or its agents had he/she/it/they conducted a commercially reasonable inquiry or investigation .

“Law” or “Laws” means all statutes, laws, codes, ordinances, regulations, rules, Orders, judgments, writs, injunctions, acts or decrees of any Government Entity.

“Liability” or “Liabilities” means any liability, debt, deficiency, interest, Tax, penalty, fine, claim, demand, judgment, cause of action, or other loss (including loss of benefit or relief), cost or expense of any kind or nature whatsoever, whether known or unknown, asserted or

unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, and whether due or become due and regardless of when asserted, cost or expense relating thereto.

“Lien” or “Liens” means any mortgage, license, pledge, security interest, right of first refusal, option, deed of trust, charge, conditional sales contract, claim, restriction, covenant, easement, right of way, title defect, encumbrance or lien of any nature whatsoever. For the avoidance of doubt, “Lien” shall not be deemed to include any restrictions on transfer arising under the Securities Act of 1933 and/or applicable state securities laws.

“Limitation Date” has the meaning set forth in Section 7.1.

“Losses” has the meaning set forth in Section 7.2(a).

“Material Adverse Effect” means a material adverse change in the assets, financial condition, or operating results or abilities of the Business taken as a whole, whether or not covered by insurance.

“Order” means any stipulation, ruling, determination, order, civil investigative demand, judgment, injunction, award, decree, declaration, arbitration award or writ issued by any Government Entity.

“Permits” has the meaning set forth in Section 3.6(b).

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Government Entity or any department, agency or political subdivision thereof.

“Pre-Closing Tax Periods” means periods ending on or prior to the Closing Date and the portion up to and including the Closing Date for any period that includes (but does not end on) the Closing Date.

“Purchase Price” has the meaning set forth in Section 1.4(a).

“Purchaser” has the meaning set forth in the preamble to this Agreement.

“Purchaser Closing Deliverables” has the meaning set forth in Section 1.7(a).

“Purchaser Indemnified Parties” has the meaning set forth in Section 7.2(a).

“Real Property” has the meaning set forth in Section 1.1(a).

“Release” for purposes of the environmental provisions of this agreement shall have the meaning set forth in CERCLA, and shall also include exposure to any Hazardous Substance.

“Seller” has the meaning set forth in the preamble to this Agreement.

“Seller Closing Deliverables” has the meaning set forth in Section 1.7(b).

“Seller Indemnified Parties” has the meaning set forth in Section 7.2(b).

“Straddle Period” has the meaning set forth in Section 8.3(b).

“Tax” or “Taxes” means (a) any federal, state, local or foreign income, gross receipts, franchise, profits, capital gains, capital stock, transfer, sales, use, occupation, property, escheat, excise, estimated, severance, windfall profits, stamp, duty, license, payroll, withholding, ad valorem, value added, alternative minimum, environmental, customs, social security (or similar), unemployment, disability, registration and other taxes, real property gains, assessments, charges, duties, fees, levies or other similar governmental charges of any kind whatsoever, whether disputed or not, together with all estimated taxes, deficiency assessments, additions to tax, penalties and interest; (b) liability for the payment of any amounts of the type described in clause (a) arising as a result of being (or having been) a member of any Affiliate (or being included (or required to be included) in any Tax Return relating thereto); and (c) liability for the payment of any amounts of the type described in clause (a) as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person, including as a transferee or successor, or by contract.

“Tax Return” means any return, declaration, information report, claim for refund or filing with respect to Taxes, including any schedules, supplements or attachments thereto and including any amendment thereof.

“Transaction Documents” means this Agreement, any document, instrument or certificate delivered pursuant this Agreement, any collateral agreements executed in connection with the consummation of the transactions contemplated hereby and any other agreement entered into pursuant to the terms hereof.

“Transfer Taxes” has the meaning set forth in Section 8.3(d).

“Treasury Regulation” means the United States Treasury Regulations promulgated under the Code, and any reference to any particular Treasury Regulation section shall be interpreted to include any final or temporary revision of or successor to that section regardless of how numbered or classified.

EXHIBIT A

WATER COMPANY FACILITY

[see next page]

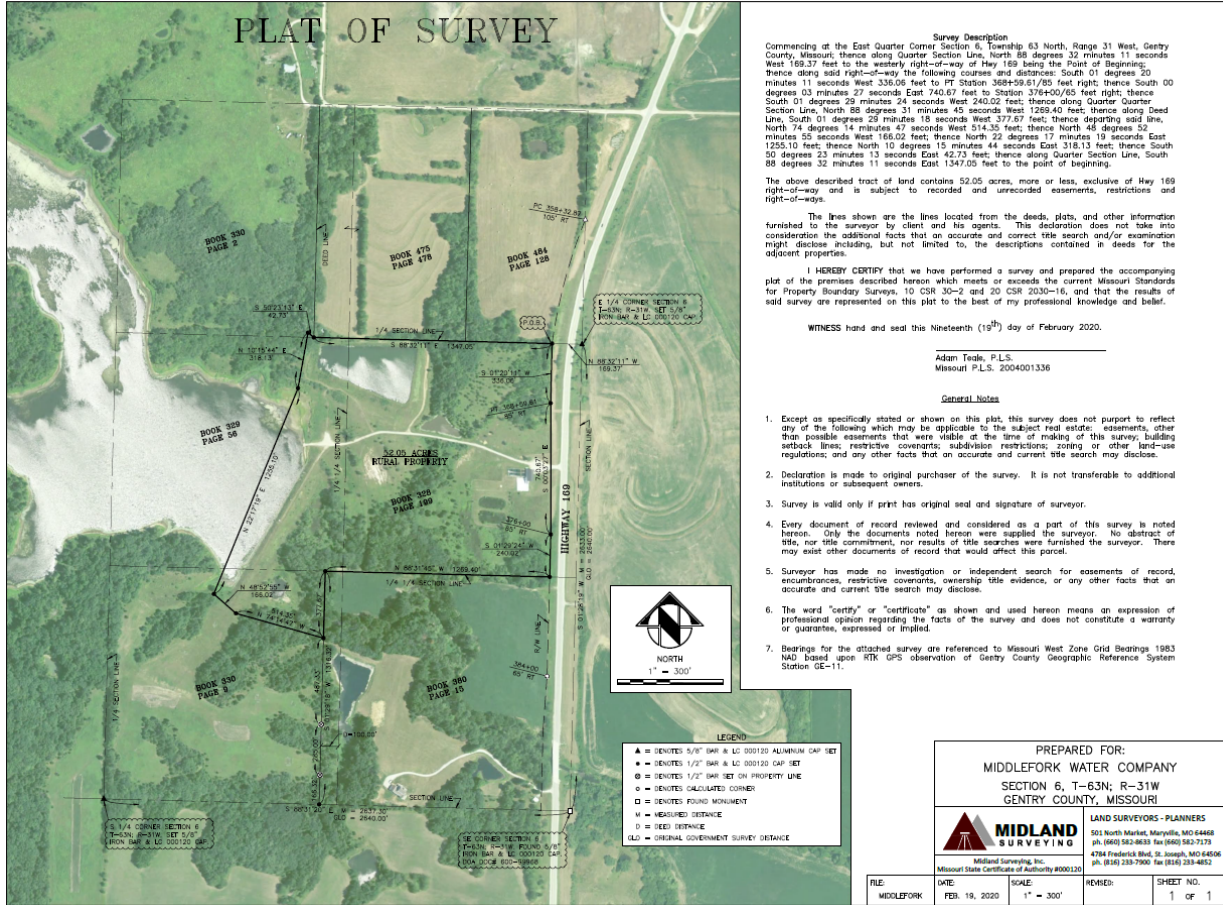


EXHIBIT B
Form of Promissory Note

PROMISSORY NOTE

\$791,610.19

_____, Missouri
_____, 2020

FOR VALUE RECEIVED, the undersigned, **PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI**, a Missouri public corporation ("**Maker**"), hereby promises to pay to the order of **MIDDLEFORK WATER COMPANY**, a Missouri corporation ("**Lender**" and/or "**Holder**") at *[PO Box 468 Maryville, MO 64468]*, or at such other place as the Holder may from time to time designate in writing, the principal sum of SEVEN HUNDRED NINETY-ONE THOUSAND SIX HUNDRED TEN AND 19/100 DOLLARS (\$791,610.19) (the "**Principal Sum**"), together with interest thereon at the Note Rate (as defined below) from the date hereof until paid in lawful money of the United States of America in full.

1. **Note Rate.** The term "**Note Rate**," as used herein, shall mean _____ percent (____ %). Interest shall be compounded annually. Interest upon this Promissory Note shall be calculated on the actual number of days elapsed and a year of three hundred sixty-five (365) days.

2. **Repayment.** The said principal sum, together with interest upon the outstanding principal balance from time to time shall be repaid in installments as follows:

(a) One hundred nineteen (119) consecutive monthly installment payments based on the rate of \$.30 per 1,000 gallons of water transmitted by or through the Water Company Facility (as defined in the Asset Purchase Agreement dated _____, 2020 by and between Borrower and Lender) in the immediately preceding month, commencing on _____, 2020 and continuing on fifth (5th) business day following the third (3rd) Monday of each calendar month thereafter ; and

(b) One payment final installment payment in an amount equal to the entire unpaid Principal Sum, together with accrued interest and any other sums due hereunder, if not sooner paid, shall be paid in full on [*_____1, 2030*] (the "**Maturity Date**").

3. **Late Charge.** Any payment required under this Promissory Note not received by the holder within ten (10) days of its scheduled due date shall bear a late charge of ten percent (10%) of the amount of such payment, which late charge must accompany the overdue payment.

4. **Application of Payments.** Except as otherwise expressly stated herein, all payments made hereon shall be applied first to late charges, next to accrued interest, and the balance, if any, of any payment shall be applied in reduction of the principal balance.

5. **Prepayment.** The principal amount due, plus all accrued but unpaid interest, may be prepaid in whole or in part, without penalty and without prior written approval of Holder.

6. **Holidays.** Whenever any payment under this Promissory Note shall be stated to be due on a Saturday, Sunday, or a public holiday under the laws of the State of Missouri, such payment shall be made on the next succeeding business day and such extension of time shall, in any such case, be included in computing interest in connection with such payment.

7. **Security.** The indebtedness evidenced hereby is secured and further evidenced by: (A) a Deed of Trust, dated of even date herewith securing the indebtedness evidenced hereby against the Property (as defined therein) (the "**Deed of Trust**"); and (B) a Security Agreement, dated of even date herewith, wherein Borrower granted Lender a first-priority purchase-money security interest in and to all of the Property (as defined therein) (the "**Security Agreement**" which, together with this Promissory Note, the Deed of Trust and any amendments or supplements thereto or modifications thereof, are hereinafter called the "**Loan Documents**").

8. **Events of Default.** Upon the occurrence of any one or more of the following (hereinafter referred to as an "**Event of Default**"):

(a) failure by Borrower to pay within ten (10) days of the date such payment is due and payable, except with respect to the final payment, for which there is no grace period, (i) any payment of principal of or interest on this Promissory Note or (ii) any other sum due hereunder or under any other Loan Document, together with interest thereon;

(b) failure by Borrower to punctually perform or observe any covenant or agreement contained in the Security Agreement (other than the monetary obligations described in subparagraph (a) above) and such failure shall not have been cured within thirty (30) days after written notice from Lender of such failure;

(c) Borrower shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or Borrower shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Borrower or of all or any part of the Property (as defined in the Security Agreement), or of any or all of the royalties, revenues, rents, issues or profits thereof; or Borrower shall make any general assignment for the benefit of creditors, or shall admit in writing Borrower's inability to pay its debts generally as they become due;

(d) a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Property, or any judgment for monetary damages shall be entered against Borrower which shall become a lien on the Property, or any portion thereof or interest therein, and such execution, attachment or similar process

or judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy;

(e) if, during the term of this Promissory Note, Borrower shall, without the prior written approval of Lender, sell, convey, alienate, mortgage or encumber the Property, or any part thereof or any interest therein, or shall be divested of its title or any interest therein, in any manner, whether voluntarily or involuntarily;

(f) any assignment by Borrower of the whole or any part of the rents, issues or profits arising from the Property to any person without the consent of Lender;

then, at the option of the holder hereof, the entire unpaid balance of principal of this Promissory Note, together with all accrued interest and any other sums due hereunder or due under any of the secured obligations described in the Security Agreement, if such Event of Default is not cured and made good within such time and after such notice as may be required by applicable law, shall become due and payable. To the extent permitted by applicable law, the Borrower further agrees to pay to the holder hereof all attorneys' fees, legal expenses and court costs incurred in enforcing the provisions of this Promissory Note and the other "Loan Documents," including attorneys' fees, legal expenses and costs incurred in bankruptcy proceedings, appellate proceedings or post-judgment collection efforts.

9. **Default Rate.** Upon the occurrence of an Event of Default and irrespective of whether the holder hereof exercises its option to accelerate the maturity of this Promissory Note by reason of such Event of Default, this Promissory Note shall thereafter bear interest while such default continues at the rate of ten percent (10%) per annum ("**Default Rate**"). No delay or omission on the part of the holder hereof in exercising any right hereunder or under any other instrument now or hereafter given to evidence or secure the indebtedness evidenced hereby, shall operate as a waiver of such right, or any other right hereunder, or under any of said agreements.

10. **Severability and Assignment.** Every provision of this Promissory Note is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the validity or enforceability of the remaining terms and provisions herein above set forth.

11. **Waivers.** The undersigned, and all sureties and all other persons liable hereon or liable for the payment of this Promissory Note severally waive presentment for payment, demand, protest, notice of nonpayment, protest of nonpayment and consent to any and all renewals, extensions and modifications which might be by the holder hereof made as to the time of payment of this Promissory Note, from time to time, and further agree that the security for this Promissory Note, or any portion thereof may, from time to time, be modified or released, in whole or in part, without affecting the liability of any party liable hereon or for the payment of this Promissory Note.

12. **Applicable Law.** This Promissory Note is delivered by the Borrower to Lender at Lender's principal place of business in Nodaway County, Missouri, and shall be deemed to have been made thereat. This Promissory Note shall be governed and controlled as to validity,

enforcement, interpretation, construction, effect and in all other respects, including, but not limited to, the legality of interest charged hereunder, by the statutes, laws and decisions of the State of Missouri. The law of the State of Missouri shall apply in all respects to matters related to the enforcement of the other Loan Documents. Time is of the essence.

**[Space Below Intentionally Left Blank –
Signature Page to Follow]**

IN WITNESS WHEREOF, this instrument was executed on the date first above set forth.

BORROWER:

PUBLIC WATER SUPPLY DISTRICT NO. 1 OF
NODAWAY COUNTY, MISSOURI,
a Missouri public corporation

By: _____
Name: _____
Title: _____

STATE OF MISSOURI)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2020, by _____, as _____ of Public Water Supply District No. 1 of Nodaway County, Missouri, a Missouri public corporation, on behalf of the corporation.

Notary Public

EXHIBIT C

Form of Deed of Trust

Space Above for Recorder's Use Only

DOCUMENT COVER SHEET

TITLE OF DOCUMENT: **Deed of Trust**

DATE OF DOCUMENT: _____, 2020

GRANTOR: **Public Water Supply District No. 1 of Nodaway County,
Missouri, a Missouri public corporation**

MAILING ADDRESS: **120 East 3rd Street
Maryville, Missouri 64468**

GRANTEE: **Middle Fork Water Company, Inc., a Missouri corporation**

MAILING ADDRESS: **PO Box 468
Maryville, MO 64468**

TRUSTEE: **Taryn Henry, Esquire**

MAILING ADDRESS: **Taryn Henry, P.C.
115 E. 4th Street, Ste. 5
Maryville, MO 64468**

LEGAL DESCRIPTION: See Exhibit A, attached

DEED OF TRUST

THE FACE AMOUNT SECURED BY THIS DEED OF TRUST IS \$791,610.19, PLUS INTEREST AND OTHER OBLIGATIONS AS PROVIDED HEREIN AND PERMITTED BY RSMO. §443.055.

THIS DEED OF TRUST dated effective _____, 2020, by and among PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation ("Grantor"), whose mailing address, 120 East 3rd Street, Maryville, Missouri 64468, TARYN HENRY ("Trustee") whose mailing address is 115 E. 4th Street, Ste. 5, Maryville, MO 64468, and MIDDLE FORK WATER COMPANY, INC., a Missouri corporation ("Grantee") whose mailing address is PO Box 468, Maryville, MO 64468.

FOR VALUABLE CONSIDERATION, Grantor irrevocably transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Grantee, under and subject to the terms and conditions of this Deed of Trust, the real estate in Gentry County, Missouri, described as follows (the "Property"):

See Exhibit "A" attached hereto and by this reference incorporated herein.

TOGETHER WITH, all rents, easements, appurtenances, hereditaments, interests in adjoining roads, streets and alleys, fixtures, improvements, waterways, lakes and buildings of any kind situated thereon and all personal property that may be or hereafter become an integral part of such buildings and improvements, and insurance and condemnation proceeds payable to Grantor with respect to the Property.

The property and the entire estate and interest conveyed to the Trustee are referred to collectively as the "Trust Estate."

THIS DEED OF TRUST SECURES:

a. Payment of indebtedness in the total amount of \$791,610.19, with interest thereon, as evidenced by and according to that certain Promissory Note in the principal amount of \$791,610.19 dated of even date herewith in which Grantor is Maker and Grantee is Holder (the "Promissory Note"), which Promissory Note and any and all modifications, extensions and renewals thereof are by this reference secured by and incorporated in this Deed of Trust; and

b. Payment of all sums advanced by Grantee to protect the Trust Estate which sums, if any, shall accrue interest at the rate set forth in the Promissory Note until the date of maturity

which is [_____, 2030], or until the occurrence of an Event of Default as defined herein, after which interest shall accrue at the default rate as provided in the Promissory Note.

This Deed of Trust, the Promissory Note, the Security Agreement and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby are referred to collectively as the "Security Instruments."

TO PROTECT THE SECURITY OF THIS DEED OF TRUST:

1. PAYMENT OF INDEBTEDNESS. Grantor shall pay when due the principal of, and the interest on, the indebtedness evidenced by the Promissory Note, and all charges, fees and all other sums required by the Security Instruments.

2. TITLE. Grantor covenants and agrees that it is lawfully seized and possessed of good and indefeasible title and estate to the Property in fee simple and will forever warrant and defend the title thereto against the claims and demands of all persons whomsoever. Grantor further covenants and agrees that it will, at its expense, maintain and preserve the lien of this Deed of Trust as a first lien upon the Property. Except as otherwise specifically allowed herein, no lien or encumbrance against the Property shall be permitted without the prior written consent of Grantee which may be unreasonably withheld.

3. TAXES. Grantor shall pay each installment of all taxes and special assessments of every kind, now or hereafter levied against the Trust Estate or any part thereof, before delinquency, without notice of demand, and shall provide Grantee with evidence of the payment of same. Grantor shall pay all taxes and assessments which may be levied upon Grantee's interest herein or upon this Deed of Trust or the debt secured hereby, without regard to any law that may be enacted imposing payment of the whole or any part thereof upon the Grantee.

4. INSURANCE. Grantor shall procure and maintain in force, at Grantor's expense, insurance against loss to any and all improvements situated on the Trust Estate. Grantor shall name Grantee as a loss payee under all such insurance policies. Grantor will provide Grantee or Trustee with a certificate of insurance and endorsements which confirm the coverages required in this paragraph.

5. MAINTENANCE. To keep the Property in good condition and repair; to complete or restore promptly and in good and workmanlike manner any building which may constructed, damaged or destroyed thereon and to pay, when due, all claims for labor performed and materials furnished therefor and for any alterations thereof; to comply with the provisions of restrictions affecting the Property; not to remove, demolish or materially alter any building, or the character or use thereof at any time thereon, not to drill or extract nor to permit the drilling for or extraction of oil, gas or other hydrocarbon substances or any mineral of any kind unless the written consent of Grantee is first had and obtained; not to commit or permit any waste thereof or any act upon the Property in violation of law; to do all other acts in a timely and proper manner which from the character or use of the Property may be reasonably necessary to protect and preserve said security, the specific enumerations herein not excluding the general.

6. CONSTRUCTION OF IMPROVEMENTS. Grantor covenants to complete in good and workmanlike manner any improvement which may be commenced on the Property and to pay when due all costs and liabilities incurred therefor, which are not to be specially assessed, and shall not permit any construction lien against the Property.

7. ACTIONS AFFECTING TRUST ESTATE. If Grantor fails to perform the obligations, covenants and agreements contained in the Security Instruments, or if any action or proceeding is commenced which affects Grantee's interest in the Trust Estate, then Grantee, at Grantee's option, upon notice to Grantor, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Grantee's interest. Any amounts disbursed by Grantee pursuant to this Paragraph 7, with interest thereon, at the rate of eight percent (8%) per annum, shall become additional indebtedness of Grantor secured by this Deed of Trust. Unless Grantor and Grantee agree to other terms of payment, such amounts shall be payable upon notice from Grantee to Grantor requesting payment thereof. Nothing contained in this Paragraph 7 shall require Grantee to incur any such expense or take any such action.

8. APPOINTMENT OF SUCCESSOR TRUSTEE. Grantee may, from time to time, by a written instrument executed and acknowledged by Grantee, mailed to Grantor and recorded in the County in which the Trust Estate is located and by otherwise complying with the provisions of the applicable law of the State of Missouri substitute a successor or successors to the Trustee named herein or acting hereunder.

9. EVENTS OF DEFAULT. Upon the occurrence of any one or more of the following (hereinafter referred to as an "Event of Default"):

(a) failure by Grantor to pay within ten (10) days of the date such payment is due and payable, except with respect to the final payment, for which there is no grace period, (i) any payment of principal of or interest on the Promissory Note or (ii) any other sum due hereunder or under any other Security Instrument, together with interest thereon;

(b) the breach by Grantor of any covenant, obligation or agreement contained in the Deed of Trust (other than the monetary obligations described in subparagraph (a) above) and the continuation of such breach for thirty (30) days after written notice from Grantee specifying the nature and extent of such breach, provided that if such breach cannot reasonably be cured within such thirty (30) days, the failure of Grantor to commence to cure such breach within such thirty (30) days and to diligently pursue the same to completion so long as Grantor is reasonably proceeding to cure such breach, but in no event more than ninety (90) days after receipt of written notice from Grantee;

(c) the occurrence of a default, or an Event of Default, under any Security Instrument or under any other obligation of Grantor to Grantee or Trustee, whether or not existing on the date hereof or hereafter created or arising, and such default is not cured within the applicable cure period, if any; or

(d) if Grantor shall, without the prior written approval of Grantee, sell, convey, alienate, mortgage or encumber its interest in the Property, or any part thereof or any interest therein, or shall be divested of its title or interest therein, in any manner not expressly permitted herein, whether voluntarily or involuntarily; or if there is any merger, consolidation or dissolution affecting Grantor.

(e) Any Event of Default or breach of any of the Security Instruments.

10. ACCELERATION UPON DEFAULT, ADDITIONAL REMEDIES. Should an Event of Default occur Grantee may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. Thereafter Grantee may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorney's fees, upon any indebtedness secured hereby, all in such order as Grantee may determine. The entering upon and taking possession of the Trust Estate, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Trust Estate or the collection, receipt and application of rents, issues or profits, Trustee or Grantee shall be entitled to exercise every right provided for in any of the Security Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants of the Security Instruments;

(c) Exercise the power of sale in accordance with Missouri law, including those powers set forth in RSMO §443.327; or

(d) Exercise any other rights or remedies available under applicable law.

11. REMEDIES NOT EXCLUSIVE. No remedy conferred upon or reserved to Trustee or Grantee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Security Instruments to Trustee or Grantee or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time as often as may be deemed expedient by Trustee or Grantee and either of them may pursue inconsistent

remedies. Nothing herein shall be construed as prohibiting Grantee from seeking a deficiency judgment against the Grantor to the extent such action is permitted by law.

12. INTENTIONALLY OMITTED.

13. REQUEST FOR NOTICE: Grantor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Deed of Trust.

14. GOVERNING LAW; PARTIAL INVALIDITY; AMENDMENTS. This Deed of Trust shall be governed by the laws of the State of Missouri. In the event that any provision or clause of any of the loan instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such Security Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Security Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

15. RECONVEYANCE BY TRUSTEE. Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the Promissory Note to Trustee for cancellation and retention and upon payment by Trustor of Trustee's fees, Trustee shall reconvey to Trustor, or the person or persons legally entitled thereto, without warranty, any portion of the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof.

16. NOTICES. Whenever Grantee, Grantor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is: (a) delivered by personal service, or (b) mailed by certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust, with delivery deemed to have occurred on the date of mailing. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

17. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN GRANTOR. If all or any part of the Property or any interest in it is sold or transferred, exchanged or conveyed (or if a beneficial interest in Grantor is sold or transferred and Grantor is not a natural person) without Grantee's prior written consent, Grantee may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Grantee if exercise is prohibited by federal law as of the date of this Deed of Trust. If Grantee exercises this option, Grantee shall give Grantor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured by this Deed of Trust. If Grantor fails to pay these sums prior to the expiration of this period, Grantee may invoke any remedies permitted by this Deed of Trust without further notice or demand on Grantor.

18. ASSIGNMENT OF RENTS: APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Grantor hereby assigns to Trustee and Grantee the rents of the Property, provided that Grantor shall, prior to acceleration under Paragraph 10 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under Paragraph 10 hereof or abandonment of the Property, Trustee and Grantee, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Grantee or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Grantee and the receiver shall be liable to account only for those rents actually received.

19. SUCCESSORS AND ASSIGNS. This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, personal representatives, successors and assigns.

20. LITIGATION. Grantor shall defend the Trust Estate in any action or proceeding purporting to affect the Property, whether or not it affects the security hereof, or purporting to affect the rights or powers of Grantee or Trustee, and shall file and prosecute all necessary claims and actions to prevent or recover for any damage to or destruction of the Property, and either Trustee or Grantee is hereby authorized, without obligation so to do, to commence, appear in or defend any such action, whether brought by or against Grantor, Grantee or Trustee, or with or without suit, to exercise or enforce any other right, remedy or power available or conferred hereunder, whether or not judgment be entered in any action or proceeding; and Grantor or Grantee may appear or intervene in any action or proceeding, and retain counsel therein; and take such action therein, as either may be advised and may settle, compromise or pay the same or any other claims and, in the behalf and for any of said purposes, may expend and advance such sums of money as either may deem necessary. Whether or not Grantor so appears or defends, Grantor on demand shall pay all costs and expenses of Grantee and Trustee, including costs of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Grantee or Trustee may appear by virtue of being made a party defendant or otherwise and irrespective of whether the interest of Grantee or Trustee in the Property is directly questioned by such action, including, but not limited to, any action for the condemnation of partition of the Property.

21. CONDEMNATION. All sums due, paid or payable to Grantor, or any successor in interest of Grantor, whether by way of judgment, settlement or otherwise, (a) for injury or damage to the Property, or (b) in connection with any condemnation for public use or injury to the Property or any part thereof, of (c) in connection with the transaction financed by the loan secured hereby, or (d) arising out of all causes of action whether accruing before or after the date of this Deed of Trust, sounding in tort or contract, including causes of action for fraud or concealment of a material fact, together with the settlements, proceeds, awards and damages, direct and consequential, in connection therewith, are hereby absolutely and irrevocably assigned and shall be paid to Grantee. Grantee shall be entitled, at its option, to commence, intervene in, appear in and prosecute its own name, any action or proceeding, or to make any compromise or

settlement, in connection with any such taking or damage. Grantor agrees to execute such further assignments of any compensation, award, damages, rights of action and proceeds as Grantee may acquire.

22. NO WAIVER OF GRANTEE. No waiver by Grantee of any right under this Deed of Trust shall be effective unless in writing. Waiver by Grantee of any right granted to Grantee under this Deed of Trust or of any provision of this Deed of Trust as to any transaction or occurrences shall not be deemed a waiver as to any future transaction or occurrences. By accepting payment of any sum secured hereby after its due date, or by making any payment or performing any act on behalf of Grantor that Grantor was obligated hereunder, but failed to make or perform, or by adding any payment so made by Grantee to the indebtedness secured hereby, Grantee does not waive its right to require prompt payment when due of all other sums so secured or to require prompt performance of all other acts required hereunder, or to declare a default for failure so to pay. Time is of the essence.

23. MISSOURI PENNY LEASE. Trustee leases the Property to Grantor, until either this Deed of Trust is released or the Property is sold under the above provisions, on the following terms and conditions: Trustor and every person claiming or possessing the Property through or under it shall pay rent during the term at the rate of one cent (\$0.01) per month, payable monthly upon demand, and shall without demand surrender peaceable possession of the Property to Trustee, its successors, assignees, or purchasers of the Property under any foreclosure, sale, within ten days after the sale date.

24. MISSOURI COLLATERAL PROTECTION ACT NOTICE. Unless you provide evidence of the insurance coverage required by your agreement with us, we may purchase insurance at your expense to protect our interests in your collateral. This insurance may, but need not, protect your interests. The coverage that we purchase may not pay any claim that you make or any claim that is made against you in connection with the collateral. You may later cancel any insurance purchased by us, but only after providing evidence that you have obtained insurance as required by our agreement. If we purchase insurance for the collateral, you will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges we may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to your total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance you may be able to obtain on your own.

25. STATUTORY NOTICE – ORAL COMMITMENTS.

The following is given pursuant to Section 432.045 of the Missouri Revised Statutes; nothing contained in such notice shall be deemed to limit or modify the terms of the Loan Documents:

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU

(BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

**[Space Below Intentionally Left Blank –
Signature Page to Follow]**

Executed to be effective on the date first above written.

**PUBLIC WATER SUPPLY DISTRICT NO. 1
OF NODAWAY COUNTY, MISSOURI, a
Missouri public corporation, a Missouri public
corporation**

By: _____

Name: _____

Title: _____

STATE OF MISSOURI)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2020 before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, _____, of Public Water Supply District No. 1 of Nodaway County, Missouri, a Missouri public corporation, known to me to be the person(s) who executed the instrument within and who duly acknowledged execution of the same on behalf of said corporation.

Witness my hand and Notarial Seal subscribed and affixed in said County and State, the day and year in this certificate above written.

Notary Public

EXHIBIT “A” TO DEED OF TRUST

Legal Description

[To be inserted prior to Closing]

EXHIBIT C-1

Form of Security Agreement

SECURITY AGREEMENT

For value received, PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation (hereinafter referred to as “**Debtor**”), hereby grants to MIDDLE FORK WATER COMPANY, INC., a Missouri corporation, (hereinafter, together with its successors and assigns, the “**Secured Party**”), a security interest in and collaterally assigns to Secured Party the Collateral (defined below) in accordance with the terms of this Security Agreement.

1. **Security Interest and Collateral.** To secure the payment and performance of each and every debt, liability and obligation of every type and description which Debtor may owe to Secured Party (whether such debt, liability or obligation now exists or is hereafter created or incurred, whether it is currently contemplated by the Debtor and Secured Party, whether any documents evidencing it refer to this Security Agreement, whether it arises with or without any documents, and whether it is or may be direct or indirect, due or to become due, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several or joint and several; all such debts, liabilities and obligations, including, without limitation, the amounts due pursuant to that certain Asset Purchase Agreement dated _____, 2020 (the “**Purchase Agreement**”) and that certain Promissory Note of even date herewith (the “**Promissory Note**”) by and between Debtor and Secured Party, herein collectively referred to as the “**Obligations**”), Debtor, hereby grants Secured Party a first-priority security interest (herein called the “**Security Interest**”) in and to the assets of Debtor listed below, all whether now owned or hereafter acquired (herein called the “**Collateral**”):

- a. All of the Purchased Assets (as defined in the Purchase Agreement);
- b. All replacements, substitutions, additions, or accessions to or for any of the foregoing;
- c. All contracts, agreements, documents, accounts, warranties and representations relating to or governing the construction, installation, use, repair and service of the Purchased Assets, including all amendments, modifications and supplements to any of the foregoing and the Water Supply Agreements with cities of Stanberry, Missouri and Grant City, Missouri; and
- d. All products and proceeds (including but not limited to proceeds arising from the sale or other disposition of any Collateral, and the proceeds of any insurance covering any of the Collateral) of all of the foregoing.

together with all substitutions and replacements for and products of any of the foregoing property and proceeds of any and all of the foregoing property and, in the case of all tangible Collateral, together with all accessions and, except in the case of consumer goods, together with (i) all accessories, attachments, parts, equipment, and repairs now or hereafter attached or affixed to or

used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods. Terms contained in this Agreement which are now or hereafter defined in the applicable Uniform Commercial Code, as amended or superseded from time to time (the "Uniform Commercial Code" or "UCC"), will, unless the context expressly indicates otherwise, have the meanings provided for now or hereafter in the Uniform Commercial Code, as such definitions may be enlarged or expanded from time to time by amendment or judicial decision.

2. **Representations, Warranties and Agreements.** Debtor represents, warrants and agrees that:

a. Public Water Supply District No. 1 of Nodaway County, is a public corporation organized and in good standing under the laws of the State of Missouri.

b. The Collateral will be used primarily for business purposes of Debtor.

c. The Purchased Assets are located at the Debtor's premises at _____, Missouri _____ (the "**Premises**").

3. **Additional Representations, Warranties and Agreements.** Debtor represents, warrants and agrees that:

a. Debtor has (or will have at the time Debtor acquires rights in Collateral hereafter arising) absolute title to each item of Collateral free and clear of all security interests, liens and encumbrances, except the Security Interest, and will defend the Collateral against all claims or demands of all persons other than Secured Party. Except in the ordinary course of business, Debtor will not sell or otherwise dispose of the Collateral or any interest therein without the prior written consent of Secured Party, except that, until the occurrence of an Event of Default and the revocation by Secured Party of Debtor's right to do so, Debtor may operate its business in the ordinary course. This Agreement has been duly and validly authorized by all necessary corporate action.

b. Debtor will not permit any tangible Collateral to be located in any state (and, if county filing is required, in any county) in which a financing statement covering such Collateral is required to be, but has not in fact been, filed in order to perfect the Security Interest. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto required to perfect the Security Interest in the Collateral. Debtor is hereby authorized to give notice to any creditor or any other person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the Security Interest in the Collateral.

c. To the best of Debtor's knowledge, each right to payment and each instrument, document, chattel paper and other agreement constituting or evidencing Collateral is (or will be when arising or issued) the valid, genuine and legally enforceable obligation, subject to no defense, set-off or counterclaim (other than those arising in the ordinary course of business) of the account debtor or other obligor named therein or in Debtor's records pertaining thereto as being obligated to pay such obligation. Debtor will

neither agree to any material modification or amendment nor agree to any cancellation of any such obligation without Secured Party's prior written consent, and will not subordinate any such right to payment to claims of other creditors of such account debtor or other obligor.

d. Debtor will (i) keep all tangible Collateral in good repair, working order and condition, normal depreciation excepted, and will, from time to time, replace any worn, broken or defective parts thereof; (ii) promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (iii) keep all Collateral free and clear of all security interests, liens and encumbrances except the Security Interest; (iv) at all reasonable times, permit Secured Party or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Debtor's books and records pertaining to the Collateral and its business and financial condition and to discuss with account debtors and other obligors requests for verifications of amounts owed to Debtor; (v) keep accurate and complete records pertaining to the Collateral and pertaining to Debtor's business and financial condition and submit to Secured Party such periodic reports concerning the Collateral and Debtor's business and financial condition as Secured Party may from time to time reasonably request; (vi) promptly notify Secured Party of any material loss of or material damage to any Collateral or of any material adverse change, known to Debtor, in the prospect of payment of any sums due on or under any instrument, chattel paper, or account constituting Collateral; (vii) if Secured Party at any time so requests (whether the request is made before or after the occurrence of an Event of Default), promptly deliver to Secured Party any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Debtor; (viii) at all times keep all tangible Collateral insured against risks of fire (including so-called extended coverage), theft, collision (in case of Collateral consisting of motor vehicles) and such other risks and in such amounts as Secured Party may reasonably request, with any loss payable to Secured Party to the extent of its interest; (ix) from time to time execute such financing statements as Secured Party may reasonably require in order to perfect the Security Interest and, if any Collateral consists of a motor vehicle, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (x) pay when due or reimburse Secured Party on demand for all costs of collection of any of the Obligations and all other out-of-pocket expenses (including in each case all reasonable attorneys' fees) incurred by Secured Party in connection with the perfection, satisfaction, protection, defense or enforcement of the Security Interest or the continuance, protection, defense or enforcement of this Agreement or any or all of the Obligations, including expenses incurred in any litigation or bankruptcy or insolvency proceedings; (xi) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which Secured Party may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and Secured Party's rights under this Agreement; (xii) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; (xiii) permit Secured Party after the occurrence of an Event of Default to send requests to account debtors or other obligors for verification of amounts owed to Debtor; and (xiv) not permit any tangible Collateral to become part of or to be affixed to

any real property without first assuring to the reasonable satisfaction of Secured Party that the Security Interest will be prior and senior to any interest or lien then held or thereafter acquired by any mortgagee of such real property or the owner or purchaser of any interest therein.

If Debtor at any time fails to perform or observe any agreement contained in this Section 3(d), and if such failure shall continue for a period of ten (10) calendar days after Secured Party gives Debtor written notice thereof (or, in the case of the agreements contained in clauses (viii) and (ix) of this Section 3(d), immediately upon the occurrence of such failure, without notice or lapse of time), Secured Party may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Debtor (or, at Secured Party's option, in Secured Party's own name) and may (but need not) take any and all other actions which Secured Party may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens, or encumbrances, the performance of obligations under contracts or agreements with account debtors or other obligors, the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Debtor shall thereupon pay Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by Secured Party in connection with or as a result of Secured Party's performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by Secured Party at the highest rate then applicable under Nebraska law. To facilitate the performance or observance by Secured Party of such agreements of Debtor, Debtor hereby irrevocably appoints (which appointment is coupled with an interest) Secured Party, or its delegate, as the attorney-in-fact of Debtor with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Debtor, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Debtor under this Section 3 and Section 4.

e. Debtor acknowledges and agrees that Secured Party would not have extended the debt underlying the Obligations to Debtor absent Debtor's agreement to enter into this Agreement.

4. **Lock Box, Collateral Account.** If Secured Party so requests at any time (whether before or after the occurrence of an Event of Default), Debtor will direct each of its account debtors to make payments due under the relevant account or chattel paper directly to a special lock box to be under the control of Secured Party. Debtor hereby authorizes and directs Secured Party to deposit into a special collateral account to be established and maintained with Secured Party all checks, drafts and cash payments received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any Obligation. At its option, Secured Party may, at any time, apply finally collected funds on deposit in said collateral account to the payment of the Obligations in such order of application as Secured Party may determine, or permit Debtor to withdraw all or any part of the balance on

deposit in said collateral account. If a collateral account is so established, Debtor agrees that it will promptly deliver to Secured Party, for deposit into said collateral account, all payments on accounts and chattel paper received by it. All such payments shall be delivered to Secured Party in the form received (except for Debtor's endorsement where necessary). Until so deposited, all payments on accounts and chattel paper received by Debtor shall be held in trust by Debtor for and as the property of Secured Party and shall not be commingled with any funds or property of Debtor.

5. **Collection Rights of Secured Party.** Notwithstanding Secured Party's rights under Section 4 with respect to any and all debt instruments, chattel papers, accounts, and other rights to payment constituting Collateral (including proceeds), Secured Party may, at any time (both before and after the occurrence of an Event of Default) notify any account debtor, or any other person obligated to pay any amount due, that such chattel paper, account, or other right to payment has been assigned or transferred to Secured Party for security and shall be paid directly to Secured Party. If Secured Party so requests at any time, Debtor will so notify such account debtors and other obligors in writing and will indicate on all invoices to such account debtors or other obligors that the amount due is payable directly to Secured Party. At any time after Secured Party or Debtor gives such notice to an account debtor or other obligor, Secured Party may (but need not), in its own name or in Debtor's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such chattel paper, account, or other right to payment, or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify, amend or change the obligations (including collateral obligations) of any such account debtor or other obligor.

6. **Assignment of Insurance.** Debtor hereby assigns to Secured Party, as additional security for the payment of the Obligations, any and all moneys (including but not limited to proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Debtor under or with respect to, any and all policies of insurance covering the Collateral, and Debtor hereby directs the issuer of any such policy to pay any such moneys directly to Secured Party. Both before and after the occurrence of an Event of Default, Secured Party may (but need not), in its own name or in Debtor's name, execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

7. **Events of Default.** Each of the following occurrences shall constitute an event of default under this Agreement (herein called "**Event of Default**"): (i) Debtor shall fail to pay or perform any or all of the Obligations when due or (if payable on demand) on demand, or shall fail to observe or perform any covenant or agreement herein binding on it; (ii) any representation or warranty by Debtor set forth in this Agreement or made to Secured Party in any financial statements or reports submitted to Secured Party by or on behalf of Debtor shall prove materially, untrue false or misleading; (iii) a garnishment, summons or a writ of attachment shall be issued against or served upon the Secured Party for the attachment of any property of the Debtor or any indebtedness owing to Debtor; (iv) Debtor shall (A) be or become insolvent or (B) voluntarily file, or have filed against it involuntarily, a petition under the United States Bankruptcy Code; or (C) if a corporation, partnership, or other organization, be dissolved or

liquidated; or (D) go out of business; or (v) Secured Party shall in good faith believe that the prospects of due and punctual payment of any or all of the Obligations is impaired.

8. **Remedies upon Event of Default.** Upon the occurrence of an Event of Default under Section 7 and at any time thereafter, Secured Party may exercise any one or more of the following rights and remedies: (i) declare all unmatured Obligations to be immediately due and payable, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand; (ii) exercise and enforce any or all rights and remedies available upon default to a secured party under the Uniform Commercial Code, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Debtor hereby expressly waives), and the right to sell, lease or otherwise dispose of any or all of the Collateral, and in connection therewith, Secured Party may require Debtor to make the Collateral available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties, and if notice to Debtor of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 9) at least ten (10) calendar days prior to the date of intended disposition or other action; (iii) exercise or enforce any or all other rights or remedies available to Secured Party by law or agreement against the Collateral, against Debtor, or against any other person or property. Secured Party is hereby granted a nonexclusive, worldwide and royalty-free license to use or otherwise exploit all trademarks, trade secrets, franchises, copyrights and patents of Debtor that Secured Party deems necessary or appropriate to the disposition of any Collateral.

9. **Other Personal Property.** Unless at the time Secured Party takes possession of any tangible Collateral, or within seven (7) days thereafter, Debtor gives written notice to Secured Party of the existence of any goods, papers or other property of Debtor, not affixed to or constituting a part of such Collateral, but which are located or found upon or within such Collateral, describing such property, Secured Party shall not be responsible or liable to Debtor for any action taken or omitted by or on behalf of Secured Party with respect to such property without actual knowledge of the existence of any such property or without actual knowledge that it was located or to be found upon or within such Collateral.

10. **Miscellaneous.** This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of Secured Party's rights or remedies. All rights and remedies of Secured Party shall be cumulative and may be exercised singularly or concurrently, at Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Debtor shall be deemed sufficiently given if delivered or mailed by registered or certified mail, postage prepaid, to Debtor as its address set forth above or at the most recent address shown on Secured Party's records. Secured Party's duty of care with respect to Collateral in its possession (as imposed by law) shall be deemed fulfilled if Secured Party exercises reasonable care in physically safekeeping such Collateral or, in the case of Collateral in the custody or possession of a bailee or other third person, exercises reasonable care in the selection of the bailee or other

third person, and Secured Party need not otherwise preserve, protect, insure or care for any Collateral. Secured Party shall not be obligated to preserve any rights Debtor may have against prior parties, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of application. This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective heirs, representatives, successors and assigns and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance hereof. Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Debtor shall have the same force and effects as the original for all purposes of a financing statement. Except to the extent otherwise required by law, this Agreement shall be governed by the internal laws of the state named as part of Secured Party's address above. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. If this Agreement is signed by more than one person as Debtor, the term "Debtor" shall refer to each of them separately and to both or all of them jointly; all such persons shall be bound both severally and jointly with the other(s); and the Obligations shall include all debts, liabilities and obligations owed to Secured Party by any Debtor solely or by both or several or all Debtors jointly or jointly and severally, and all property described in Section 1 shall be included as part of the Collateral, whether it is owned jointly by both or all Debtors or is owned in whole or in part by one (or more) of them.

***[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW]***

DEBTOR:

**PUBLIC WATER SUPPLY DISTRICT NO. 1
OF NODAWAY COUNTY, MISSOURI, a
Missouri public corporation,** a Missouri public
corporation

By: _____

Name: _____

Title: _____

STATE OF MISSOURI)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2020 before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____, _____, of Public Water Supply District No. 1 of Nodaway County, Missouri, a Missouri public corporation, known to me to be the person(s) who executed the instrument within and who duly acknowledged execution of the same on behalf of said corporation.

Witness my hand and Notarial Seal subscribed and affixed in said County and State, the day and year in this certificate above written.

Notary Public

EXHIBIT D
Form of Bill of Sale

BILL OF SALE

This Bill of Sale dated as of _____, 2020, is made by Middlefork Water Company, a Missouri corporation (the “**Seller**”), to Public Water Supply District No. 1 of Nodaway County, Missouri, a Missouri public corporation (the “**Assignee**”).

WHEREAS, Seller and Assignee, and Brock and Karen Pfof, in their capacity as the shareholders of the Seller, are parties to that certain Asset Purchase Agreement dated as of _____, 2020 (the “**Purchase Agreement**”), pursuant to which Assignee will purchase the Purchased Assets as more particularly described in the Purchase Agreement.

NOW, THEREFORE, pursuant to the Purchase Agreement and for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. **Capitalized Terms.** Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement.

2. **Sale and Transfer of Assets.** For good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, and as contemplated by Section 1.1 of the Purchase Agreement, the Seller hereby sells, transfers, assigns, conveys, grants and delivers to the Assignee and its successors and assigns, effective as of the Closing, free and clear of all Liens, all of the Seller’s right, title and interest in and to all of the Purchased Assets.

3. **Further Actions.** The Seller covenants and agrees to take all steps reasonably necessary to establish the record of Assignee’s title to the Purchased Assets and at the reasonable request of the Assignee, to execute and deliver further instruments of transfer and assignment and take such other action as the Assignee may reasonably request to effectively transfer and assign to and vest in the Assignee each of the Purchased Assets.

4. **Terms of the Purchase Agreement.** The terms of the Purchase Agreement, including, but not limited to, (a) the Seller’s representations, warranties, covenants, agreements and indemnities relating to the Transferred Items, (b) jurisdiction, (c) waiver of jury trial, and (d) Deductible and Indemnification Cap are incorporated herein by this reference. The Seller acknowledges and agrees that the representations, warranties, covenants, agreements and indemnities contained in the Purchase Agreement shall not be superseded, enlarged or modified hereby but shall remain in full force and effect to the full extent provided therein. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms hereof, the terms of the Purchase Agreement shall govern.

5. **Miscellaneous Provisions.**

a. Modification. This Bill of Sale may not be amended, supplemented, or otherwise modified except by a written agreement executed by all of the parties hereto.

b. Construction. The headings of Sections in this Bill of Sale are provided for convenience only and will not affect its construction or interpretation.

c. Governing Law. ALL RIGHTS, REMEDIES, LIABILITIES, POWERS AND DUTIES OF EACH OF THE PARTIES TO THIS BILL OF SALE, SHALL BE GOVERNED BY AND CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF MISSOURI WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

d. Execution of Agreement. This Bill of Sale may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Bill of Sale and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Bill of Sale and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Bill of Sale as to the parties and may be used in lieu of the original Bill of Sale for all purposes. Signatures of the parties transmitted by facsimile, portable document format or other electronic means shall be deemed to be their original signatures for all purposes.

[Remainder of Page Intentionally Left Blank; Signatures on following pages.]

IN WITNESS WHEREOF, Sellers have executed this Bill of Sale as of the date set forth above.

SELLER:

MIDDLEFORK WATER COMPANY,
a Missouri corporation

By: _____

Name: Brock Pfost

Title: President

ACCEPTED BY ASSIGNEE:

PUBLIC WATER SUPPLY DISTRICT NO. 1
OF NODAWAY COUNTY, MISSOURI,
a Missouri public corporation

By: _____

Name: _____

Title: _____

EXHIBIT E
Form of Water Rights Agreement

WATER RIGHTS AGREEMENT

THIS WATER RIGHTS AGREEMENT (“**Agreement**”) is made and entered into as of the ____ day of May, 2020 (the “**Effective Date**”), by and between Middlefork Water Company, a Missouri corporation, with principal address of P.O. Box 468, Maryville, MO 64468 (“**Middlefork**”), and PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation (the “**District**”), with principal place of business at 120 East 3rd St., Maryville, MO 64468.

RECITALS

WHEREAS, Middlefork owns real property located in Gentry County, Missouri, as depicted on **Exhibit “A”** attached hereto and legally described on **Exhibit “B”** attached hereto and incorporated herein (the “**Middlefork Property**”).

WHEREAS, concurrently with the execution of this Agreement, Middlefork sold, transferred, and conveyed to the District that certain real property and the improvements located thereon situated in Gentry County, Missouri as depicted on **Exhibit “A-1”** attached hereto and legally described on **Exhibit “B-1”** attached hereto and incorporated herein (the “**District Property**”).

WHEREAS, the District intends to operate a water plant on the District Property (the “**Water Plant**”) selling water therefrom to its customers.

WHEREAS, the District Property abuts and is adjacent to the Middlefork Property.

WHEREAS, in connection with the sale of the District Property to the District, Middlefork agreed to grant the District certain rights relating to the District’s collection and use of water located on the Middlefork Property, and the District agreed to grant Middlefork certain rights with respect to the District Property, all as further described herein.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00), the receipt and adequacy of which are hereby acknowledged, it is agreed as follows:

1. **Grant of Rights to District.**

a. **District License.** Subject to the terms and conditions hereof, Middlefork hereby grants to the District, for so long as the District owns the District Property and operates the Water Plant therefrom, a perpetual, non-exclusive license, coupled with an interest, to collect all surface water located on the Middlefork Property (the “**District License**”) for use in connection with the District’s operation of a Water Plant.

b. **Easement.** In connection with the District License, subject to the terms and conditions hereof, Middlefork hereby grants to the District a non-exclusive easement for access over only so much of the Middlefork Property as may be reasonably necessary for the District: (i) to exercise its rights pursuant to the District License granted herein; and (ii) maintain, repair, or replace any facilities used by the District to capture, pump, transmit, or store water collected pursuant to the District License (the “**District Easement**”).

2. **Rights Granted to and Reserved by Middlefork.**

a. Grant of Rights. Subject to the terms and conditions hereof, the District hereby grants an easement to Middlefork and the “Middlefork Permittees”, as hereinafter defined, a perpetual non-exclusive easement for access in, over, and upon all portions of the District Property for hunting and fishing and such activities as may be reasonably related to the foregoing (the “**Middlefork Easement**”). In connection with the foregoing easement, and for illustrative purposes and not as a limitation on the rights granted to the Middlefork Permittees pursuant to this Section 2(a), the Middlefork Permittees may: (i) access the Middlefork Property by coming onto the District Property from U.S. Highway 169 for use of the boat ramp located on the District Property; and (ii) use of ATV’s and motor vehicles on the District Property consistent with the easement rights.

b. Reservation of Rights. Notwithstanding anything to the contrary in this Agreement, Middlefork for itself and the Middlefork Permittees, this Agreement and the rights granted herein to District are not intended to limit the right of Middlefork or its successors and assigns to use the Middlefork Property consistent with the past and/or customary practices for which such property has been used while owned by Middlefork, including, without limitation, recreational purposes such as hunting, fishing, and camping, farming and agricultural purposes.

c. Middlefork Permittees. The term “**Middlefork Permittees**” shall mean the owners of Middlefork, their family members and invited guests.

3. Calculation of Water Usage Rate. In exchange for the rights granted to the District herein, commencing on the Effective Date of this Agreement and continuing until the fifth (5th) anniversary thereof, the District shall pay and deliver to Middlefork \$0.30 per every 1,000 gallons of raw water entering the Water Plant (the “**Water Usage Rate**”) during the immediately preceding month. Commencing on the sixth (6th) anniversary of the Effective Date, and continuing each Contract Year (as defined below) thereafter, the Water Usage Rate shall be adjusted by an amount equal to the rate of increase in the consumer price index for all urban consumers (CPI-U) using the U.S. City Average (the “**Rate of Increase**”), calculated as follows:

a. Contract Year Six (6). The Rate of Increase to the Water Usage Rate for the sixth (6th) Contract Year shall be calculated using the following formula: $(1 - (\text{CPI-U for the calendar month in which the Effective Date occurs} / \text{CPI-U for the calendar month in which the sixth (6}^{\text{th}}\text{) Contract Year commences (the “Change Date”))})$.

b. After Contract Year Six (6). The Rate of Increase to the Water Usage Rate for each Contract Year after the sixth (6th) Contract Year shall be calculated using the following formula: $(1 - (\text{CPI-U for the first calendar month of the immediately preceding Contract Year} / \text{CPI-U for the first calendar month of the current Contract Year (also referred to herein as the “Change Date”))})$.

c. Standards for Calculating and Paying the Rate of Increase. The following standards shall apply when calculating and paying the Rate of Increase pursuant to this Agreement:

i. The Rate of Increase shall be calculated using the Consumer Price Index for All Urban Consumers using the U.S. City Average (CPI-U), not seasonally adjusted (1982-84 = 100). If the Bureau of Labor Statistics of the United States Department of Labor ceases to exist or ceases to publish statistics concerning the purchasing power of the U.S. dollar, the Rate of Increase called for herein shall be made using the most nearly comparable statistics published by a recognized financial authority as agreed to by Middlefork and the District.

ii. In the event that the CPI-U is unavailable as of the applicable Change Date, the District shall continue to make payments to Middlefork based on the most-recent Water Usage Rate then in effect, until the CPI-U necessary to calculate the Rate of Increase is made available. When the CPI-U necessary to calculate the Rate of Increase is made available, should the Water Usage Rate for the applicable Contract Year increase, then the District shall make a retroactive payment to Middlefork equal to the difference between (i) the Water Usage Rate due from the respective Change Date for such Contract Year; and (ii) the Water Usage Rate actually paid by the District from the respective Change Date until the Rate of Increase was finally computed.

iii. The Rate of Increase may never fall below zero.

iv. As soon as practicable upon release of the CPI-U necessary to calculate a Rate of Increase, Middlefork shall calculate the Rate of Increase and deliver written notice thereof to the District along with copies of the Bureau of Labor Statistics data used to calculate the Rate of Increase.

v. For purposes of this Agreement, “**Contract Year**” shall mean the period commencing on the Effective Date through the last day of the twelfth (12) full calendar month following the Effective Date for the first Contract Year, and each successive twelve (12) month period thereafter through the term of this Agreement for each successive Contract Year.

vi. Examples of calculating the Rate of Increase and Water Usage Rates using historical CPI-U data are set forth on Schedule A attached hereto, and are provided for illustrative purposes only.

d. Calibration Requirement. On or before the second anniversary of the Effective Date, and every two (2) years thereafter throughout the remainder of the Term (as defined below) of this Agreement, the District shall calibrate the water meter measuring all water entering the Water Plant and shall provide the written confirmation to Middlefork that this calibration requirement has been satisfied.

4. Determination and Payment of Water Usage Rates.

a. Determination of Water Usage.

i. Initial Meter Reading. On the date hereof the parties shall obtain a meter reading to determine the number of gallons of water transmitted by and through the Water Plant from and after the date on which the District acquired the Water Plant (the “**Initial Meter Reading**”).

ii. Monthly Meter Readings. Following the Initial Meter Reading, within three (3) calendar days of the first (1st) day of each calendar month during the Term (as defined below), the District shall obtain a water meter reading to determine the number of gallons of water transmitted by and through the Water Plant since the water meter reading used to determine the number of gallons of water transmitted by and through the Water Plant during the immediately preceding month. The District shall use this meter reading for purposes of preparing the statement and calculating the payment required under Section 4(b) hereof.

b. Payment. On or before the fifth (5th) business day following the regular monthly meeting of the District's board of directors (currently held on the third Monday of each calendar month) (the "**Due Date**"), commencing on the first calendar month following the Effective Date of this Agreement and continuing until this Agreement is terminated pursuant to Section 6 hereof (the "**Term**"), the District shall prepare and deliver to Middlefork a statement identifying the total number of gallons of raw water entering the Water Plant during the immediately preceding calendar month and payment for said water based on the applicable Water Usage Rate as determined in accordance with Section 3 hereof. Any payment not received on or before the applicable Due Date shall be subject to a late payment fee of ten percent (10%) of the past-due balance. Any payment due to Middlefork pursuant to this Section, including any applicable late payment fee, not received on or before the fifth (5th) day following the Due Date shall be subject to default interest on the unpaid amount past due at the lesser of a rate of ten percent (10%), or the maximum amount allowed by applicable law.

c. Audit Rights. Upon five (5) days advance written notice, Middlefork or its representatives may come onto the District Property for purposes of auditing the number of gallons of raw water entering the Water Plant as reported by the District on any applicable statement(s) delivered to Middlefork pursuant to this Section. If, as a result of Middlefork's audit, it is determined that the District underreported the number of gallons of raw water entering the Water Plant by more than two percent (2%) during any period of time, the District shall pay and deliver to Middlefork an amount equal to the difference between the actual number of gallons of raw water entering the Water Plant during an applicable period, as determined by the Middlefork audit, and the number of gallons reported by the District, multiplied times the applicable Water Usage Rates, plus an additional fee equal to twenty-five percent (25%) of said difference, within five (5) business days of the District's receipt of the written results of Middlefork's audit.

5. Restrictions on Use.

a. District Property. Except as expressly provided herein, the District shall not permit any portion of the District Property to be used by the public for any purposes. By way of illustration and not of limitation, the general public shall not be permitted to conduct any recreational activities, such as camping, hunting, fishing, hiking, etc. on or about any portion of the District Property without the express written consent of Middlefork, which may be withheld, conditioned, or delayed, in Middlefork's sole and absolute discretion.

b. Middlefork Property. For so long as the District owns the District Property and operates the Water Plant therefrom: (i) any agricultural uses of the Middlefork Property must comply with the best management practices established or recommended by the Natural Resources Conservation Service of the United States Department of Agriculture; and (ii) no portion of the Middlefork Property may be used for a concentrated animal feeding operation (CAFO).

6. Default; Termination.

a. Default. Each of the following events that continues beyond any applicable notice and cure periods set forth below constitutes an "**Event of Default**" under this Agreement:

- i. if the District fails to pay when due any installment of the Water Usage Rate and such default continues for five (5) days after the District's receipt of notice thereof specifying such failure; provided, however, Middlefork shall not be required to provide notice of any such delinquent payments if the District is delinquent in paying the Water

Usage Rate then due more than one (1) time in any given Contract Year (such second delinquent payment shall be an automatic Event of Default without notice);

ii. if the District fails to pay when due any installments due under that certain promissory note by and between the District and Middlefork of even date herewith and such default is not cured in accordance with the terms and conditions set forth in said promissory note;

iii. if the District fails to perform any other term, covenant or condition of this Agreement and such failure continues for thirty (30) days after the District's receipt of notice thereof from Middlefork, specifying such failure and requiring it to be remedied; provided that if such failure cannot with due diligence be remedied by the District within such thirty (30)-day period, if the District commences to remedy such failure within such thirty (30)-day period and thereafter prosecutes the remedying of such failure with reasonable diligence, then the period of time after the receipt of such notice by the District within which such failure may be remedied shall be extended so long as the District prosecutes the remedying of such failure with reasonable diligence; or

iv. if the District ceases to operate the Water Plant for a period of thirty (30) days and such cessation is not related to repair, remodel, or other capital improvements to the Water Plant (in the event the cessation of operations at the Water Plant is due to repair, remodel or other capital improvement thereto, then the District shall provide prior written notice to Middlefork that the cessation of operations at the Water Plant relates to the such work).

b. Remedies Upon Default. Upon the occurrence of any Event of Default by the District, Middlefork, with or without notice to or demand upon the District, at its option, may, at its option, terminate the District's rights under this Agreement by recording a notice of termination with the Gentry County Recorder's Office stating that the District is in default of its obligations hereunder and that the District's rights hereunder are terminated in accordance with this Section 5; and Middlefork shall not be liable for any damages by reason of such termination. Notwithstanding termination of this Agreement pursuant to the preceding sentence, the liability of District resulting from the occurrence of an Event of Default shall not be relinquished or extinguished but shall continue in full force and effect; and Middlefork at any time may commence such one or more actions as it may deem necessary to collect any sums due from or payable by the District for such period. The District further agrees to pay, in addition to the all past due sums payable under this Agreement, such additional sums as a court of competent jurisdiction may adjudge reasonable as attorneys' fees in any suit or action instituted by Middlefork to enforce the provisions of this Agreement.

7. Required Insurance.

a. District. For so long as is this Agreement remains in full force and effect, the District shall maintain the following policies of insurance: (i) a commercial general liability insurance policy with minimum policy limits of not less than \$1,000,000.00 for bodily injury, property damage, or death in any one occurrence combined single limit, with a \$2,000,000.00 annual aggregate; (ii) Workers' compensation insurance as required by the state of Missouri; and (iii) Commercial automobile liability insurance having a combined single limit of not less than \$1,000,000 for each occurrence and shall insure all vehicles owned, hired, and non-owned vehicles used by or for the benefit of the District in connection with the exercise of its rights hereunder.

b. Middlefork. For so long as is this Agreement remains in full force and effect, Middlefork shall maintain a commercial general liability insurance policy with minimum policy limits of not less than \$1,000,000.00 for bodily injury, property damage, or death in any one occurrence combined single limit, with a \$2,000,000.00 annual aggregate.

c. Additional Requirements. Each party shall (i) provide a certificate of insurance reflecting the insurance policies and minimum coverage amounts required pursuant to this Section 7, as requested by the other party, (ii) name the other party as an additional insured under all insurance policies required pursuant to this Section 7 and shall provide the other party with a copy of the additional insured endorsement to such policies identifying the other party's status as an additional insured under such policies, and (iii) execute a waiver of subrogation in favor of the other party.

8. Indemnification.

a. The District shall indemnify, hold harmless and defend Middlefork from and against, and Middlefork shall not be liable to the District on account of, any and all costs, expenses, liabilities, losses, damages, suits, actions, fines, penalties, demands or claims of any kind, including reasonable attorneys' fees, asserted by or on behalf of any person, entity or governmental authority to the extent arising out of or in any way connected with: (i) a failure by the District to perform any of the agreements, terms or conditions of this Agreement required to be performed by the District; (ii) a failure by the District to comply with any laws, statutes, ordinances, regulations or orders of any governmental authority; (iii) any accident, death or personal injury, or damage to or loss or theft of property which shall occur on or about the Middlefork Property or the District Property which in any way relate to or arise from the District's exercise of its rights pursuant to this Agreement, except to the extent that the same may be the result of the gross negligence or intentional misconduct of Middlefork or the Middlefork Permittees.

b. Middlefork shall indemnify, hold harmless and defend the District from and against, and the District shall not be liable to Middlefork on account of, any and all costs, expenses, liabilities, losses, damages, suits, actions, fines, penalties, demands or claims of any kind, including reasonable attorneys' fees, asserted by or on behalf of any person, entity or governmental authority arising out of or in any way connected with (i) a failure by Middlefork to perform any of the agreements, terms or conditions of this Agreement required to be performed by Middlefork; (ii) a failure by Middlefork to comply with any laws, statutes, ordinances, regulations or orders of any governmental authority; (iii) any accident, death or personal injury, or damage to or loss or theft of property which shall occur on or about the District Property or the Middlefork Property which relate to or arise out of Middlefork's exercise of its rights created pursuant to this Agreement, except to the extent the same may be the result of the negligence or intentional misconduct of the District, its employees, permittees, or agents.

9. Covenants Running with the Land. The Middlefork Property and the District Property shall be held, sold and conveyed subject to the District License, District Easement, Middlefork Easement and all other restrictions, covenants, easements, and licenses contained herein, all of which shall be covenants running with the land and shall be binding upon, and inure to the benefit of, all parties having any right, title and interest in said properties, or any part thereof, and their respective heirs, successors and assigns. In connection with the foregoing, along with the rights and restrictions set forth herein, the parties hereto shall execute a Memorandum of Agreement, in the form attached hereto as Exhibit "C", to Middlefork which shall be recorded against both the Middlefork Property and the District Property. Upon termination of this Agreement in accordance with the terms hereof, the parties shall execute and record a Notice of Termination to remove the Memorandum of Agreement from the title records pertaining to the

Middlefork Property and the District Property. In connection with the rights granted to the District herein, the District, for itself and its successors and assigns to the District property, hereby waives and shall be forever estopped from exercising any rights of eminent domain or the like with respect to the Middlefork Property.

10. Right of First Refusal. Subject to the provisions of this Section, Middlefork hereby grants to the District a right of first refusal to purchase the Middlefork Property, as follows:

a. Bona Fide Offer. Upon receipt of a written bona fide third party offer to purchase the Middlefork Property or any portion thereof which Middlefork or its successors or assigns is willing to accept (an “**Offer to Purchase**”), Middlefork shall deliver a true and correct copy of the Offer to Purchase to the District.

b. Exercise of Right. The District shall have thirty (30) days from receipt of the Offer to Purchase to elect to exercise its right of first refusal to purchase the Middlefork Property in accordance with the terms and conditions set forth in the Offer to Purchase by delivering written notice of such election to Middlefork in accordance with the provisions of Section 11 hereof. Upon the District’s exercise of its rights under this Section, the parties shall proceed to closing on the District’s purchase of the Middlefork Property in accordance with the terms and conditions of the Offer to Purchase and such additional terms and conditions to which Middlefork and the District shall agree in writing.

c. No Exercise. In the event the District does not elect to exercise its right of first refusal within the time required under Section 10(b) hereof, then the District’s rights relative to such Offer to Purchase shall terminate without further action of either party, and Middlefork may proceed to closing on the sale of the Middlefork Property to the third party who made the Offer to Purchase pursuant to the terms and conditions of said Offer to Purchase.

d. Permitted Transfers. Notwithstanding the foregoing provisions of this Section 10, Middlefork may at any time transfer all or any portion of the Middlefork Property, to: (i) any shareholder of Middlefork, or the executor, administrator, trustee, or personal representative of a shareholder of Middlefork to whom such interest transferred at the death of the shareholder or involuntarily by operation of law; (ii) any lineal descendant (including any descendant by adoption) of a shareholder of Middlefork; (iii) to a trust established by or for the benefit of a shareholder of Middlefork or any person identified in subparagraph (ii) hereof; or (iv) to an entity formed by or for the benefit of a shareholder of Middlefork, any person identified in subparagraph (ii), or the trustee of a trust identified in subparagraph (iii). For avoidance of doubt, the District’s right of first refusal shall not apply to any transfer contemplated under this Section 10(d).

11. Notice. All notices, deliveries, writings, supplements or other documents which are required or permitted by the terms of this Agreement to be given to any party shall be deemed completed and legally sufficient if in writing and if mailed by certified or registered mail, or personally delivered to the respective parties addressed as follows:

If to Middlefork:

Brock Pfost
P.O. Box 468
Maryville, MO 64468

If to District:

Public Water Supply District No. 1
of Nodaway County, Missouri
120 East 3rd Street
Maryville, MO 64468
Attn: _____

12. Waiver. No covenant, restriction, condition or provision of this Agreement shall be deemed to have been abrogated or waived by reason of any failure to enforce the same at any time, irrespective of the number of violations or breaches which may occur.

13. Savings Clause. The invalidity of any covenant, restriction, condition, limitation or any other provision of this Agreement, as the case may be, shall not render the remainder of the Agreement invalid.

14. Amendment; Modification. This Agreement may be amended, modified or terminated by the written consent and mutual agreement of the owners of both the Middlefork Property and the District Property.

15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri. Time is of the essence.

16. Counterparts. This Agreement may be executed in one or more counterparts and on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, Middlefork and the District have executed this Agreement on the date first above written.

MIDDLEFORK:

MIDDLEFORK WATER COMPANY,
a Missouri corporation

By: _____
Name: Brock Pfof
Title: President

STATE OF MISSOURI)
) ss
COUNTY OF _____)

This instrument was acknowledged before me this _____, by Brock Pfof, as President of Middlefork Water Company, a Missouri corporation.

Notary Public

**PUBLIC WATER SUPPLY DISTRICT NO. 1
OF NODAWAY COUNTY, MISSOURI,**
a Missouri public corporation

STATE OF MISSOURI)
) ss
COUNTY OF _____)

Notary Public

EXHIBIT "A"
SITE MAP OF MIDDLEFORK PROPERTY

EXHIBIT “A-1”
SITE MAP OF DISTRICT PROPERTY

EXHIBIT "B"

LEGAL DESCRIPTION OF MIDDLEFORK PROPERTY

The Southeast Quarter (SE¹/₄) and the East Half (E¹/₂) of the Southwest Quarter (SW¹/₄) and the Southwest Quarter (SW¹/₄) of the Southwest Quarter (SW¹/₄), all in Section 36, Township 64, Range 32, EXCEPT a tract described as commencing at the center of said Section 36; thence along Quarter Section Line, North 89 degrees 17 minutes 37 seconds East 1128.6 feet; thence South 00 degrees 21 minutes 15 seconds West 1128.6 feet; thence South 89 degrees 17 minutes 37 seconds West 1324.62 feet; thence North 00 degrees 21 minutes 15 seconds East 1128.6 feet to Quarter Section Line; thence along said line, North 89 degrees 17 minutes 37 seconds East 196.02 feet to the point of beginning.

And

Beginning 60 rods South of the Northeast Corner of the Southwest Quarter (SW¹/₂) of Section Six (6), Township Sixty-three (63), Range Thirty-one (31), running thence West 40 rods, thence South 60 rods, thence East 40 rods, thence North 60 rods to place of beginning, containing 15 acres, more or less.

And

The Northwest Quarter (NW¹/₄) of the Southeast Quarter (SE¹/₄) of Section Six (6) and beginning at the Northeast corner of the Southwest Quarter of Section Six (6), thence West 40 rods, thence South 60 rods, thence East 40 rods, thence North 60 rods to the place of beginning, all in Township Sixty-three (63), Range Thirty-one (31), Gentry County, Missouri.

And

An undivided one-half interest in the following: The West half (W¹/₂) of the North Half (N¹/₂) of Lot One (1) of the Southwest Quarter (SW¹/₄) and the North Half (N¹/₂) of the North Half (N¹/₂) of Lot Two (2) of the Southwest Quarter (SW¹/₄); the West Half (W¹/₂) of Lot One (1) of the Northwest Quarter (NW¹/₄) except the West 5 acres thereof, and the West Half (W¹/₂) of Lot Two (2) of the Northwest Quarter (NW¹/₄) and a tract beginning at the Northwest corner of the East Half (E¹/₂) of Lot Two (2) of the Northwest Quarter (NW¹/₄), thence South to the South line of the public road, thence Easterly following the road to Bogue Branch, thence down said branch in a Southerly direction following the meanderings thereof to Linn Creek, thence down said creek in a Southerly direction following the meanderings thereof to the West line of a 10 acre tract lying on the West side of said creek formerly owned by Odus McCampbell, thence South along the West line of said 10-acre tract to the South line of said Northwest Quarter (NW¹/₄), thence West to the Southwest corner of the East Half (E¹/₂) of Lot One (1) of the Northwest Quarter (NW¹/₄), thence North to the place of beginning, all in Section Six (6), all being in Township Sixty-three (63), Range Thirty-one (31), Gentry County, Missouri.

And

Commencing at the Southeast Corner of Section One (1), thence North 26 and 25/100 chains, thence West 10 chains, thence South 10 chains, more or less to a branch, thence down said branch in a Southwesterly direction to the South line of said Section One (1), thence East 16 chains, more or less, to the place of beginning, AND all that part of the North Half ($N\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Twelve (12), lying North of the East-West public road and East of the North-South public road, AND a tract commencing at the Northeast Corner of Section Twelve (12); thence along Section Line, South 89 degrees 53 minutes 13 seconds West 1,358.37 feet; thence South 00 degrees 07 minutes 26 seconds East 1,092.00 feet to the Point of Beginning, said point being the intersection of the East-West public road; thence South 00 degrees 07 minutes 26 seconds East 864.50 feet; thence with an existing fence, South 89 degrees 00 minutes 30 seconds West 1,056.00 feet; thence continuing along an existing fence, North 00 degrees 56 minutes 15 seconds West 982.85 feet to the centerline of the East-West public road; thence along said centerline, South 84 degrees 39 minutes 49 seconds East 1,074.71 feet to the point of beginning; all of the above-described real estate being situate in Township 63, Range 32.

And

The Southwest Quarter ($SW\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$), except the East 100 feet thereof, of Section Six (6), Township Sixty-three (63), Range Thirty-one (31); and the Southeast Quarter ($SE\frac{1}{4}$) of the Southwest Quarter ($SW\frac{1}{4}$) of Section Six (6); and 6.36 acres of the East side of the Northeast Quarter ($NE\frac{1}{4}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section Seven (7), lying North of public road, described as follows: Beginning at the Northeast Corner of Lot One (1) of the Northwest Quarter ($NW\frac{1}{4}$), running thence West $5.09\frac{1}{2}$ chains, thence South $13.54\frac{1}{2}$ chains to center of public road, thence North $66\frac{1}{2}$ degrees East 5.43 chains to Quarter Section Line running North and South through said Section Seven (7), thence North 11.33 chains to the place of beginning, all being in Township Sixty-three (63), Range Thirty-one (31).

And

The West Five (5) acres of Lot One (1) of the Northwest Quarter ($NW\frac{1}{4}$) of Section Six (6), Township Sixty-three (63), Range Thirty-one (31).

And

The Northeast Quarter ($NE\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$) of Section Six (6), Township Sixty-three (63), Range Thirty-one (31).

And

The East Half ($E\frac{1}{2}$) of Lots One (1) and Two (2) of the Northeast Quarter ($NE\frac{1}{4}$) (also described as the East Half ($E\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section One (1), Township Sixty-three (63), Range Thirty-two (32)).

The West Half ($W\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) (or the West Half ($W\frac{1}{2}$) of Lots One (1) and Two (2) of the Northeast Quarter ($NE\frac{1}{4}$)); the West Half ($W\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$)

EXCEPT that part thereof lying East of the branch running through said 80 acre tract; also a tract commencing 40 rods South of the Northeast Corner of the Southwest Quarter (SW $\frac{1}{4}$) running thence West 20 rods more or less to the branch, thence in a Southeasterly direction following the meanderings of said branch to East line of said Quarter Section, thence North to the place of beginning, all of said land being in Section (1), Township Sixty-three (63), Range Thirty-two (32). The Northeast Quarter (NE $\frac{1}{4}$) of the Southwest Quarter (SW $\frac{1}{4}$) of Section One (1), EXCEPT a tract described as follows: Beginning at the Southeast Corner of said 40 acre tract, thence North 9 chains 1 rod and 11 feet, thence West 4 chains and 3 rods more or less to a branch, thence in a Southeasterly direction along said branch to the South line of said 40 acre tract, thence East 1 rod to the place of beginning; also all of the West Half (W $\frac{1}{2}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section One (1) lying South and East of a branch; also all of the East Half (E $\frac{1}{2}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section One (1) EXCEPT a tract described as follows: Beginning at the Southeast Corner of said Section One (1), thence North 26.25 chains, thence West 10 chains, thence South 10 chains more or less to a branch, thence down said branch in a Southwesterly direction to the South line of said branch, thence East 16 chains more or less to the place of beginning;

All that portion of the Northwest (NW $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) and the Northwest Quarter (NW $\frac{1}{4}$) of Section Twelve (12), Township Sixty-three (63), Range Thirty-two (32), described as follows: Commencing at the point where the public road known as County Road 236 running in a generally North/South direction intersects the North line of said Section Twelve (12), running thence South along said public road to a point where said road intersects the public

And

A tract of land described as commencing at the point where the West right of way line of the public road running North and South through Section Six (6) intersects with the South right of way line of the public road running East and West through Section Six (6), thence in a Westerly direction along the South right of way line of the East/West public road a distance of 350 feet; thence South 750 feet; thence East a distance of 350 feet more or less, to the West right of way line of the North/South public road, thence North 750 feet, more or less, along the West right of way line of the North/South public road to place of beginning. All in Section Six (6), Township Sixty-three (63), Range Thirty-one (31), Gentry County, Missouri.

And

Beginning at a point 8.27 chains East of the Northwest Corner of Lot No. One (1) of the Northwest Quarter (NW $\frac{1}{4}$) of Section Seven (7), in Township Sixty-three (63) of Range Thirty-one (31), thence South 15.79 chains more or less, to the center of the public road, thence along the center of said public road North 73 degrees East 4.68 chains, thence North 71 $\frac{1}{2}$ degrees East 2.27 $\frac{1}{2}$ chains, thence North 13.54 $\frac{1}{2}$ chains, more or less, to North line of said quarter section, thence West 6.63 $\frac{1}{2}$ chains to the place of beginning, containing 10 acres.

Subject, however, to the reservation by parties of the first part of the right to cut fire wood from the above-described premises for their personal use and consumption during their lifetimes and the right of ingress and egress to said premises for said purpose;

Subject, further, to the right of parties of the first part to hunt deer within the limits of the Middlefork Water Project lying on the South side of the Linn Creek Channel and in the South Half (S½) of Section One (1), Township Sixty-three (63), Range Thirty-two (32), and the Southwest Fourth (SW¼) of Section Six (6), Township Sixty-three (63), Range Thirty-one (31), during the lifetime of said first parties.

EXHIBIT “B-1”
LEGAL DESCRIPTION OF DISTRICT PROPERTY

[to be added prior to execution]

EXHIBIT “C”
MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT is entered into by MIDDLEFORK WATER COMPANY, a Missouri corporation (“**Middlefork**”) and PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation (the “**District**”) to memorialize, for recording purposes, certain terms set forth in that certain Water Rights Agreement dated _____, 2020 by and between Middlefork and the District (the “**Agreement**”).

1. Date of Agreement. _____, 2020.
2. Description of Real Property. The Agreement creates certain rights and obligations of the parties as pertaining to certain real property located in Gentry County, Missouri and legally described on Exhibit “A” attached hereto (the “**Property**”).
3. Agreement Commencement and Expiration. The term of the Agreement commenced on _____, 2020 and continues in perpetuity until terminated by the parties thereto in accordance with the terms and conditions set forth in the Agreement. Until such termination, the rights and obligations set forth in the Agreement run with the land, and are binding on any and all successors in interest to any of the Property.
4. Right of First Refusal. The Agreement grants the District a right of first refusal to purchase portions of the Property owned by Middlefork under certain conditions.

The purpose of this Memorandum of Agreement is to give record notice of the Agreement and is not intended to amend or modify the Agreement.

**[Space Below Intentionally Left Blank –
Signature Page to Follow]**

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the date set forth in their respective acknowledgement below.

MIDDLEFORK:

MIDDLEFORK WATER COMPANY,
a Missouri corporation

By: _____
Name: Brock Pfost
Title: President

DISTRICT:

PUBLIC WATER SUPPLY DISTRICT NO. 1 OF
NODAWAY COUNTY, MISSOURI,
a Missouri public corporation

By: _____
Name: _____
Title: _____

STATE OF MISSOURI)
) ss
COUNTY OF _____)

This instrument was acknowledged before me this _____, by Brock Pfost, as President of Middlefork Water Company, a Missouri corporation.

Notary Public

STATE OF MISSOURI)
) ss
COUNTY OF _____)

This instrument was acknowledged before me this _____, by _____, as _____ of Public Water Supply District No. 1 of Nodaway County, Missouri, a Missouri public corporation.

Notary Public

EXHIBIT "A"
Legal Description of Property

Middlefork Property

District Property

SCHEDULE A
Illustrative Examples of Calculating the Rate Increase and Water Rates

| Contract Year | Commencement Date of Contract Year | Beginning CPI-U | Rate of Increase | Amount of Increase (in USD) | New Water Rate |
|----------------------|---|------------------------|-------------------------|------------------------------------|-----------------------|
| 1 | 1-May-09 | 213.856 | 0 | 0 | 0 |
| 2 | 1-May-10 | 218.178 | 0 | 0 | 0 |
| 3 | 1-May-11 | 225.964 | 0 | 0 | 0 |
| 4 | 1-May-12 | 229.815 | 0 | 0 | 0 |
| 5 | 1-May-13 | 232.945 | 0 | 0 | 0 |
| 6 | 1-May-14 | 237.9 | 10.11% | \$0.33 | \$3.58 |
| 7 | 1-May-15 | 237.805 | -0.04% | \$0.00 | \$3.58 |
| 8 | 1-May-16 | 240.229 | 1.01% | \$0.04 | \$3.62 |
| 9 | 1-May-17 | 244.733 | 1.84% | \$0.07 | \$3.68 |
| 10 | 1-May-18 | 251.588 | 2.72% | \$0.10 | \$3.78 |

EXHIBIT F
Form of Water Supply Agreement

WATER SUPPLY AGREEMENT

THIS WATER SUPPLY AGREEMENT (“**Agreement**”) is made and entered into this _____ day of _____, 2020 (the “**Effective Date**”), by and between PUBLIC WATER SUPPLY DISTRICT NO. 1 OF NODAWAY COUNTY, MISSOURI, a Missouri public corporation (the “**District**”), and the City of _____, Missouri, a municipal corporation organized and existing under the laws of the State of Missouri (the “**City**”). The District and the City are each a “**Party**” to this Agreement and may collectively be referred to as the “**Parties**”.

RECITALS

WHEREAS, on or about _____, 2020, the District purchased the water treatment plant, the presedimentation basin, dam, spillway, and all other buildings and water supply system improvements located at 2961 Highway 169 South, Gentry, Missouri 64453 (collectively, the “**Water Plant**”) from Middle Fork Water Company (“**MWC**”).

WHEREAS, since 1992 and continuing on to the date hereof, MWC has supplied potable water transmitted by and through the Water Plant to the City, serving as the City’s primary source of potable water for its residents and the public at large.

WHEREAS, the City owns and maintains waterlines that transport potable water from the Water Plant to its water supply system.

WHEREAS, there is no longer a written contract in effect between MWC and the City for the supply of potable water sold to the City, and, in connection with the District’s purchase of the Water Plant, the Parties desire to memorialize the terms and conditions of their agreement for the purchase and sale of the potable water to the City.

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

1. Purchase and Sale of Water. The District hereby agrees to sell to the City, and the City hereby agrees to purchase from the District, potable water (the “**Water**”) transmitted by and through the Water Plant, or such other sources as the District deems reasonably necessary to meet the needs of its customers, in accordance with the terms and conditions set forth herein. The Parties acknowledge and agree that title and risk of loss with respect to the Water shall

transfer from the District to the City: (a) for Water transmitted by and through the Water Plant, once the Water transmits through the Water Plant and passes through the water meter affixed to the City's waterlines connected to the Water Plant; or (b) for Water transmitted by and through sources other than the Water Plant, once the Water transmits from such other source and passes through the water meter affixed to the District's waterlines at the point of connection to the City's waterlines. The District agrees to use reasonable care and diligence in an effort to prevent and avoid interruptions and fluctuations in the supply of Water as much as possible, but the District does not guarantee that such interruptions and/or fluctuations in the supply of Water will not occur despite the foregoing. The City acknowledges and agrees that the District's obligation to supply Water hereunder is limited by the understanding that or that such interruptions and/or fluctuations may occur despite the District's reasonable care and diligence, or because of emergencies due to breaks, leaks, defects of necessary repairs in the Water Plant facilities, or emergencies caused by fires, strikes, acts of God or other causes beyond the District's control.

2. Term. The term of this Agreement shall commence on the Effective Date and shall continue for an initial period of twenty (20) years (the "**Initial Term**"). This Agreement shall automatically renew for successive twenty (20) year terms (each such term hereinafter referred to as a "**Renewal Term**"), unless one Party delivers written notice of its intent to not renew this Agreement to the other Party at least one hundred eighty (180) days prior to the expiration of the then-expiring term. For purposes of this Agreement, a "**Contract Year**" shall mean each twelve (12) month period commencing on the Effective Date and ending on the date that three hundred sixty-five (365) days thereafter.

3. Rates.

a. Base Rate. Until December 31, 2021, the City shall pay the District a base rate of \$3.25 per 1,000 gallons of Water transmitted by and through the Water Plant to the City (the "**Base Rate**"). Thereafter, the Base Rate for each Contract Year shall be calculated by dividing the total cost of producing all Water transmitted by and through the Water Plant during the immediately preceding Contract Year (including, without limitation costs for: labor; utilities; water treatment chemicals; repairs, replacement, and general maintenance expenses; professional services and fees incurred in connection with the ownership and operation of the Water Plant (e.g., administrative, legal and accounting); insurance; debt serving payments; etc.) by a fraction, the numerator of which is the total number of gallons of Water transmitted by and through the Water Plant during the immediately preceding Contract Year and the denominator of which is 1,000. Notwithstanding the foregoing, following the establishment of a redundant supply of Water, in the event the District transmits Water from a source other than the Water Plant, the Base Rate shall be equal to the wholesale rate the District pays to acquire such Water, plus *[ten percent (10%)]*, per every 1,000 gallons of Water transmitted to the City.

b. Surcharges. During the term of this Agreement, the District may charge, and the City shall pay, surcharges pursuant to this Section based on the number of gallons of Water transmitted to the City (the “**Surcharge**”).

- i. Improvement Surcharges. Subject to the provisions of this Subsection 3(b)(i), the District may assess a Surcharge to all customers of the Water Plant to defray costs associated with capital improvements at, repairs and/or replacements to, and general maintenance expenses for the Water Plant, which are reasonably anticipated by the District to exceed \$20,000. Surcharges pursuant to this Subsection 3(b)(i) may only be assessed to the City: (A) following at least thirty (30) days’ advance written notice thereof from the District; (B) during which time appropriate City officials may deliver any comments, concerns, requests, and/or objections pertaining to the proposed Surcharge; and (C) after taking into account, to the extent possible, any comments, concerns, requests, and/or objections made by the City. Notwithstanding the foregoing, in no event shall the Surcharge assessed pursuant to this Subsection 3(b)(i) exceed the then applicable Base Rate without the prior written consent of the City.
- ii. Connection Surcharge. In addition to any Surcharges assessed pursuant to Subsection 3(b)(i), following completion of infrastructure and other improvements necessary to establish a redundant Water supply for the City, the costs of which are to be initially paid by the District as and when due (the “**Redundant Supply Costs**”), the District may assess, and the City shall pay, a Surcharge to recoup the City’s share of the Redundant Supply Costs pursuant to terms and conditions of an addendum to this Agreement setting forth the amount of the City’s share of the Redundant Supply Costs as well as the length of time in which the City must repay its share of the Redundant Supply Costs to the District.

4. Payment. During each month of the term hereof, the District shall obtain a meter reading of the City’s water meter located at or near the Water Plant and shall prepare and deliver an invoice to the City for the Water transmitted to the City during the immediately preceding calendar month on or before the tenth (10th) day of the month. Said invoice shall be due and payable upon receipt and shall be deemed delinquent if not paid on or before the last day of the month in which the invoice is received. The City’s failure to pay invoices received from the District may, at the option of the District, result in discontinuation of the supply of Water to the City and termination of this Agreement.

5. Inspection Rights.

a. District. In connection with the meter readings required under Section 4, at least one time per Contract Year the District, at its sole cost and expense, shall have the right to inspect and test the City's water meter to confirm the accuracy of recordings of said meter. In the event the City's water meter is recording less than 98% of all Water transmitted through said meter, the District shall have the right to adjust invoices delivered to the City in the preceding six (6) months based on the results of said test, and shall have the right to invoice the City for the difference between the actual amount of Water transmitted to the City based on the results of the test conducted by the District and the amount of Water set forth in the original invoices. The City shall pay the amount due to the District in the corrected invoice delivered pursuant to this Section within thirty (30) days thereafter.

b. City. During the term of this Agreement, the City may inspect the Water Plant one (1) time each Contract Year. Prior to any such inspection, the City shall provide written notice to the District requesting the inspection occur on one of at least three (3) potential dates listed in the notice. All potential inspection dates listed in the notice must be at least twenty (20) days after the date on which the District receives said notice from the City. Upon receipt of said notice, the District shall schedule the inspection with the City on one of the dates identified in the notice delivered to the District, or, in the event none of the dates listed in the notice is acceptable to the District, the District and the City shall work in good-faith to schedule the inspection as soon as possible so long as said inspection does not materially interfere with the District's business operations at the Water Plant.

6. Representations and Warranties. The District hereby represents and warrants to the City as follows the Water supplied to the City shall be of a certain minimum quality and meet all standards of the Missouri Department of Natural Resources at the point of connection to the City's waterline. Except as expressly provided herein, the District does not make and hereby disclaims any other representations or warranties to the City.

7. Miscellaneous.

a. Waiver. No failure by either Party to insist upon the strict performance of any obligation of the other Party under this Agreement or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such right, power or remedy in regards to such breach or of such term, covenant, or condition of this Agreement.

b. Entire Agreement. This Agreement contains all the covenants, promises, agreements, conditions and understandings between the Parties hereto concerning the subject matter hereof, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. No

modification, amendment, change or addition to this Agreement shall be binding upon either Party unless reduced to writing and signed by each Party. The invalidity of any provision of this Agreement shall not affect any other provision hereof. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their respective successors and assigns. Notwithstanding the foregoing, either Party

c. Notice. All notices sent or required to be sent under this Agreement shall be in writing and either personally delivered, or sent by nationally recognized overnight courier or by registered or certified mail, return receipt requested, postage prepaid or courier fee prepaid as follows:

if to the District:

Public Water Supply District No. 1 of Nodaway County
120 East 3rd Street,
Maryville, Missouri 64468
Attn: _____

If to the City:

City of _____

Attn: _____

or such other person or address as the District or City may hereafter designate in writing delivered to the other Party.

Any such notice shall be deemed delivered on the date of personal delivery or if sent by mail, three (3) business days after the date of mailing, or if sent by reputable overnight courier on the next business day after the date of deposit of such notice with such courier service.

d. Laws of the State of Missouri. This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of Missouri. If any provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law.

e. Execution. This Agreement may be executed in any number of counterpart originals, each of which, when taken together, shall be deemed to be one and the same

instrument. The Parties agree that this Agreement may be signed and/or transmitted by facsimile, electronic mail of a .PDF document or electronic signature (e.g., DocuSign or similar electronic signature technology) and thereafter maintained in electronic form, and that such electronic record shall be valid and effective to bind the party so signing as a paper copy bearing such Party's hand-written signature. The Parties further consent and agree that the electronic signatures appearing on this Agreement shall be treated, for purpose of validity, enforceability and admissibility, the same as hand-written signatures. Each person signing this Agreement on behalf of a Party does warrant that the person has authority to execute this Agreement on that Party's behalf and that any and all necessary corporate and/or municipal actions, resolutions, votes, or the like, if any, necessary to that Party's entry into this Agreement have been adopted and/or obtained.

***[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PUBLIC WATER SUPPLY DISTRICT NO. CITY OF _____, MISSOURI,
1, OF NODWAY COUNTY, MISSOURI, a
Missouri public corporation

By: _____
Title: _____
Date: _____

By: _____
Title: _____
Date: _____

ATTEST:

ATTEST:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____