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AMENDED AND RESTATED
OPERATING AGREEMENT
OF
FIRST ROUND CSWR, LLC
DATED AS OF MARCH 5, 2015

Staff Exhibit No. 13
Date 5/19/16 Reporter JMB
File No. WR-2016-0064

**AMENDED AND RESTATED
OPERATING AGREEMENT
OF
FIRST ROUND CSWR, LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT is made and entered into as of March 5, 2015 (the "Effective Date"), by and among the Persons executing this Agreement on the signature page hereof (hereinafter collectively, together with such other persons who may hereafter become members as provided herein, referred to as the "Members" or individually as a "Member").

WHEREAS, on January 23, 2014, First Round CSWR, LLC (the "Company") was formed as a limited liability company under the Missouri Limited Liability Company Act (the "Act");

WHEREAS, GWSD, LLC and Josiah M. Cox are the current Members of the Company and recently purchased all of the Membership Units in the Company from the prior Members of the Company;

WHEREAS, the current Members and the Manager (as described herein) desire to amend and restate the existing Operating Agreement of the Company, dated February 6, 2014; and

WHEREAS, the Members hereby adopt this Agreement as the "operating agreement" of the Company under the Act to set forth the rules, regulations and provisions regarding the management and business of the Company, the governance of the Company, the conduct of its business, and the rights and privileges of its Members.

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

**ARTICLE 1
FORMATION AND OFFICES**

1.1 Formation. Pursuant to the Act, the Company has been formed as a Missouri limited liability company and the Articles (hereinafter defined) of the Company have been filed with the Secretary of State of Missouri.

1.2 Principal Office. The principal business office of the Company shall be located at such place as the Manager may determine from time to time.

1.3 Registered Office and Registered Agent. The location of the registered office and the name of the registered agent of the Company in the State of Missouri shall be as stated in the Articles, as determined from time to time by the Manager.

1.4 Purpose of Company. The purposes for which the Company is organized are investing in water and waste water utilities and the transaction of any or all lawful business for which a limited liability company may be organized under the Act.

1.5 Duration. The duration of the Company shall be perpetual.

1.6 Delivery of Copies to Members. Upon the return by the Secretary of State of Missouri to the Company of any document "Filed" with the Secretary of State of Missouri relating to the Company, neither the Company nor the Person executing such document shall be required to deliver or mail a copy thereof to any Member.

ARTICLE 2 DEFINITIONS

2.1 Terms Defined Herein.

As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"Act" means the Missouri Limited Liability Company Act, Chapter 347, Missouri Revised Statutes, as amended from time to time.

"Affiliate" of a specified person (the "Specified Person") means any person (a) who directly or indirectly controls, is controlled by, or is under common control with the Specified Person; (b) who owns or controls ten percent (10%) or more of the Specified Person's outstanding voting securities or equity interests; (c) in whom such Specified Person owns or controls ten percent (10%) or more of the outstanding voting securities or equity interests; (d) who is a director, partner, manager, executive officer or trustee of the Specified Person; (e) in whom the Specified Person is a director, partner, manager, executive officer or trustee; or (f) who has any relationship with the Specified Person by blood, marriage or adoption, not more remote than first cousin. For purposes of this Agreement, the Specified Persons shall be GWSD, LLC, Raven Development LLC, Robert B. Glarner, Jr., P. David Glarner and Josiah M. Cox.

"Agreement" means this Operating Agreement, as amended from time to time.

"Articles" means the Articles of Organization of the Company filed with the Secretary of State of Missouri, as amended or restated from time to time.

"Capital Contribution" means the total amount of cash, other property, the use of property, services rendered, promissory note or other binding written obligation to contribute cash or property or perform services or other valuable consideration contributed to the Company by each Member pursuant to the terms of this Agreement. Any reference in this Agreement to the Capital Contribution of a Member shall include the Capital Contribution made by any predecessor holder of the Units of that Member.

"Cause" shall mean a good faith finding that Cox has: (i) breached this Agreement, any other agreement between Cox and Company or any Affiliate, or any reasonable Company policy made known to him, and if curable, failed to cure such breach within ten (10) days after receiving written notice from the Company specifying such breach; (ii) engaged in any act of gross negligence or willful misconduct by Cox which is materially injurious to the interest, property, operations, business or reputation of the Company or any Affiliate; (iii) committed fraud, embezzlement, misappropriation of funds, theft, breach of trust or dishonesty against or affecting the Company or any Affiliate without regard to whether a conviction or plea has occurred with respect thereto; (iv) has committed a crime that constitutes a felony, misdemeanor or other crime involving dishonesty; (v) becomes unable to perform essential services of such position, with or without reasonable accommodation, due to injury or illness; (vi) used a controlled substance or alcohol in a manner which adversely affects either the Cox's performance of his duties under this Agreement or any other agreement between Cox and Company or any Affiliate or the business reputation of the Company; (vii) failed to satisfy the conditions and requirements of his employment with Company or to perform such material duties as are reasonably requested in good faith by the Company in the course of Cox's performance of Cox's duties hereunder consistent with his title, roles and responsibilities under this Agreement, and if curable, failed to cure such breach within ten (10) days after receiving written notice from the Company specifying such breach; or (viii) willfully and materially disregarded Cox's duties or materially failed to act, where such action would be in the ordinary course of the Cox's duties.

"Code" means the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated thereunder.

"Company" means First Round CSWR, LLC.

"Cox" means Josiah M. Cox.

"GWSD" means GWSD, LLC, a Missouri limited liability company.

"Liquidation Proceeds" means all Property at the time of liquidation of the Company and all proceeds thereof.

"Majority in Interest" means any individual Member or group of Members holding an aggregate of more than 50% of the Units held by all Members.

"Manager" means the Person or Persons designated or elected from time to time pursuant to this Agreement as managers of the Company, acting in their capacity as Manager. The initial Manager shall be as set forth in Section 6.4 hereof.

"Members" means those Persons executing this Agreement as members of the Company, including any substitute Members or additional Members, in each such Person's capacity as a Member of the Company.

"Net Book Value" means, with respect to a Unit, the amount of the distribution which would be received by the holder of the Unit following a sale of all of the assets of the Company,

subject to all liabilities, and liquidation of the Company and distribution of the net proceeds of sale in liquidation where the proceeds of such sale are equal to the book value of the Company.

"Net Cash Flow" means, with respect to any fiscal period, all operating and investment revenues during such period and any amounts theretofore held in any reserve which the Manager determines need not be held any longer in reserve, all determined in accordance with the Company's method of accounting, less Operating Expenses.

"Notice" means a writing, containing the information required by this Agreement to be communicated to a party, personally delivered or sent by United States mail, postage prepaid, or sent by pre-paid, overnight delivery or sent by telecopy to such party at the last known address or fax number, as the case may be, of such party as shown on the records of the Company, the date two days after the mailing or sending thereof being deemed the date of receipt thereof.

"Operating Expenses" means, with respect to any fiscal period, (a) to the extent paid other than with cash withdrawn from reserves therefor, the amount of cash disbursed in such period in order to operate the Company and to pay all expenses incident to the ownership or operation of the Property or the Company and (b) the amount of any reserves created during such period or the amount of any increase in any existing reserve, as provided in Section 4.3.

"Percentage Interest" means, for each individual Member, the amount equal to the Units held by such member divided by the total number of Units outstanding.

"Permitted Assignee" means (i) any Member, (ii) the settlor of a trust that is a Member or an Affiliate of a Member; (iii) any trust for the primary benefit of a Member or an Affiliate of a Member, or for the benefit of the children and grandchildren of a Member or an Affiliate of a Member, so long as, in either case, each trustee entitled to vote thereunder is also either a Member or an Affiliate of a Member or a settlor of a trust that is a Member or an Affiliate of a Member; or (iii) any affiliate of GWSD or an Affiliate of GWSD.

"Person" means any individual, partnership, limited partnership, limited liability company, corporation, trust, real estate investment trust, estate, association and other business or not for profit entity.

"Preferred Return" means an amount equal to fourteen percent (14%) per annum, for the actual number of days in the period for which the Preferred Return is being computed, simple interest that is not compounded, on the Unreturned Capital of each Member from time to time, commencing on the date of contribution with respect to each respective Capital Contribution.

"Prime Rate" means the daily prime rate of interest as published from time to time in The Wall Street Journal as being the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks.

"Property" means all properties and assets that the Company may own or otherwise have an interest in from time to time.

"Supermajority in Interest" means any individual Member or group of Members holding an aggregate of more than 90% of the Units held by all Members.

"Transfer" means (a) when used as a verb, to give, sell, exchange, assign, transfer, pledge, hypothecate, bequeath, devise or otherwise dispose of or encumber, and (b) when used as a noun, the nouns corresponding to such verbs, in either case voluntarily or involuntarily, by operation of law or otherwise.

"Transfer Event" means any Transfer of Units when any Member or Members that hold the Majority in Interest prior to such event will no longer hold the Majority in Interest after such event.

"Unit" refers to all of a Member's rights and interests in the Company in such Member's capacity as a Member, all as provided in the Articles, this Agreement and the Act, together with the obligations of such Member to comply with all the terms and provisions of the Agreement and the Act.

"Unpaid Preferred Return" on any Unit means, as of a specific date, an amount equal to the excess, if any, of (i) the aggregate Preferred Return accrued on such Unit prior to such date, over (ii) the aggregate amount of prior distributions made by the Company with respect to such Unit attributed to Preferred Return under Section (4.1)(a)(i).

"Unreturned Capital" with respect to any Unit means the excess, if any, of (i) the Capital Contribution in respect of such Unit over (ii) all distributions made by the Company with respect to such Unit attributed to the Capital Contribution under Section (4.1)(a)(ii).

ARTICLE 3 CAPITALIZATION OF THE COMPANY

3.1 Capital Contributions. As of the Effective Date, each Member has made the Capital Contribution to the capital of the Company in an amount set forth opposite such Member's name on the attached Schedule A. Hereafter, the names, addresses and Capital Contributions of the Members shall be reflected in the books and records of the Company.

3.2 Additional Capital Contributions. Any Member may make an additional Capital Contribution to the Company, provided, however, that no Member shall be entitled to any additional Units for making an additional Capital Contribution, unless approved by all the Members.

3.3 Additional Units.

(a) Cox shall be entitled to receive additional Units in the amount required to increase his Percentage Interest by a total of four (4) percent of the outstanding and issued Units upon the occurrence of each of the following events: (i) a two (2) percent increase in his Percentage Interest upon proof of final approval and rate from the Missouri Public Service Commission, provided that all other conditions of the Order Approving Stipulation Agreement and Granting a Certificate of

Convenience and Necessity of the Missouri Public Service Commission, dated October 22, 2014, have been met, and that the related system(s) must service at least 950 customers; and (ii) a two (2) percent increase in his Percentage Interest upon proof of final approval and rate from the Missouri Public Service Commission for an additional system(s) servicing at least 3,000 customers.

(b) The Manager shall have the right from time to time to issue additional Units in an amount equal to up to one (1) percent of the total Percentage Interests to key employees. Provided, however, that the shares held by Cox shall not be diluted by any issuance to key employees pursuant to this Section 3.3.

3.4 Loans From Members. Notwithstanding any other provision in this Agreement, any Member may make (but shall not be obligated to make) a loan to the Company in such amounts, at such times and on such terms and conditions as may be approved in good faith by the Manager. Loans by any Member to the Company shall not be considered as contributions to the capital of the Company.

ARTICLE 4 CASH DISTRIBUTIONS; PROFITS AND LOSSES FOR TAX PURPOSES

4.1 Cash Distributions Prior to Dissolution.

(a) The Manager shall have the right to determine how much Net Cash Flow, if any, of the Company shall be distributed among the Members each year. Any Net Cash Flow of the Company to be distributed shall be distributed among the Members as follows:

(i) First, to the Members to the extent of each Member's Unpaid Preferred Return (to be paid pro rata to each Member with Unpaid Preferred Return);

(ii) Second, to the Members to the extent of each Member's Unreturned Capital (to be paid pro rata to each Member with Unreturned Capital); and

(iii) Finally, to the Members in pro rata proportion to their Percentage Interests.

(b) Notwithstanding anything to the contrary in Article 4, to the extent that any Net Cash Flow represents proceeds from hazard insurance or condemnation proceeds, such amounts shall be held or disposed of in accordance with the requirements of any leases or outstanding mortgages affecting the Property with respect to which such hazard insurance or condemnation proceeds arose.

(c) Notwithstanding anything to the contrary herein provided, no distribution hereunder shall be permitted to the extent prohibited by the Act. Currently, among other prohibitions, the Act prohibits a Member from receiving a distribution to the extent that, after giving effect to the distribution, (i) the Company would not be able to pay its debts as they become due in the usual course of business or (ii) the Company's total assets would be less than the sum of its total liabilities, with Capital Contributions not being deemed a liability.

4.2 Persons Entitled to Distributions. All distributions of Net Cash Flow to the Members under Section 4.1 hereof shall be made to the Persons shown on the records of the Company to be entitled thereto as of the last day of the fiscal period prior to the time for which such distribution is to be made, unless the transferor and transferee of any Units otherwise agree in writing to a different distribution and such distribution is consented to in writing by the Manager.

4.3 Reserves. The Manager shall have the right to establish, maintain and expend reserves to provide for working capital, future investments, debt service and such other purposes as they may deem necessary or advisable.

4.4 Allocation of Profits and Losses for Tax Purposes and Special Allocations. All Profits and Losses for Tax Purposes of the Company and all special allocations of the Company shall be made in accordance with attached Schedule B.

ARTICLE 5 MEMBERS

5.1 Meetings of Members; Place of Meetings. Meetings of the Members may be held for any purpose or purposes, unless otherwise prohibited by law or by the Articles, and may be called by the Manager or by a Member. All meetings of the Members shall be held at the principal offices of the Company as set forth in Section 1.2 hereof, or at such other place as shall be designated from time to time by the Manager and stated in the Notice of the meeting or in a duly executed waiver of the Notice thereof. Members may participate in a meeting of the Members by means of conference telephone or other similar communication equipment whereby all Members participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person at the meeting.

5.2 Quorum; Voting Requirement. The presence, in person or by proxy, of a Majority in Interest shall constitute a quorum for the transaction of business by the Members. The affirmative vote of a Majority in Interest shall constitute a valid decision of the Members, except where a larger vote is required by the Act, the Articles or this Agreement.

5.3 Powers of Members. (a) Only a Supermajority in Interest shall have the authority to:

(i) issue any additional Unit that would cause the dilution of any of the outstanding Units;

(ii) authorize any transaction, agreement or action on behalf of the Company that is unrelated to its purpose as set forth in the Articles, that otherwise contravenes this Agreement or that is not within the usual course of the business of the Company, but solely if the counterparty to such transaction, agreement or action is an Affiliate of a Member, and such transaction, agreement or action is not related to a management fee agreement or lease between the Company and GWSD or its Affiliate;

(iii) change the status of the Company from one in which management is vested in the Manager to one in which management is vested in the Members;

(iv) subject to Section 8.5 as to additional Members, modify, compromise or release the amount and character of the contributions which a Member shall make, or shall promise to make, as the consideration for the issuance of a Unit;

(v) amend this Agreement or the Articles of Organization, other than as set out in Section 6.2(b)(ii);

(vi) authorize any transaction, agreement or action on behalf of the Company that is unrelated to its purpose as set forth in the Articles, that otherwise contravenes this Agreement or that is not within the usual course of the business of the Company, provided however that the approval of the Supermajority in Interest is not required for the approval of a sale of all or substantially all of the Company's assets in accordance with Section 8.9 herein; or

(vii) enter into or amend any transaction between the Company and a Member, Manager, or Affiliate of any of them, excluding transactions set forth in Section 6.2(b)(iv).

(b) The Majority in Interest shall have the authority to:

(i) approve a merger or consolidation of the Company with or into another Person, on the condition that such Person is not an Affiliate;

(ii) amend this Agreement or the Articles of Organization, other than as set out in Section 11.3;

(iii) issue any Unit to any Person and admit such Person as an additional Member except as provided in Section 6.2(a)(i) and Section 8.5.

(iv) enter into or amend any management fee agreement or lease between the Company and GWSD or its Affiliate that is based upon fair market terms and that is approved by the Public Service Commission or other regulatory agency within its maximum allowable thresholds

(c) The Manager shall have the authority to take any actions not listed in Section 5(a) or Section 5(b) above.

5.4 Proxies. At any meeting of the Members, every Member having the right to vote there at shall be entitled to vote in person or by proxy appointed by an instrument in writing signed by such Member and bearing a date not more than one year prior to such meeting.

5.5 Action Without Meeting. Any action required or permitted to be taken at any meeting of Members of the Company may be taken without a meeting, without prior notice and without a vote if a consent in writing setting forth the action so taken is signed by Members having not less than the minimum Percentage Interests that would be necessary to authorize or take such action at a meeting of the Members. Prompt Notice of the taking of any action taken pursuant to this Section 5.4 by less than the unanimous written consent of the Members shall be given to those Members who have not consented in writing.

5.6 Notice. Notice stating the place, day and hour of the meeting and the purpose for which the meeting is called shall be delivered not less than five (5) days nor more than sixty (60) days before the date of the meeting by or at the direction of the Manager or other persons calling the meeting, to each Member entitled to vote at such meeting. When any Notice is required to be given to any Member hereunder, a waiver thereof in writing signed by the Member, whether before, at, or after the time stated therein, shall be equivalent to the giving of such Notice. A Member may also waive notice by attending a meeting without objection to a lack of notice.

5.7 Powers of the Members. No Member, acting solely in his/her/its capacity as Member, shall act as an agent of the Company or have any authority to act for or to bind the Company.

ARTICLE 6 MANAGER

6.1 Powers of the Manager. As a result of the ownership interests identified herein and its position as Manager, all of the business and affairs of the Company shall be managed by Central States Water Resources, Inc., while the Manager, except as otherwise provided hereunder.

6.2 Duties of Manager.

In addition to the rights and duties of the Manager set forth elsewhere in this Agreement and subject to the other provisions of this Agreement, the Manager shall be responsible for and are hereby authorized to:

- (a) control the day to day operations of the Company;
- (b) hire or appoint employees, agents, independent contractors or officers of the Company;
- (c) carry out and effect all directions of the Members;
- (d) select and engage the Company's accountants, attorneys, engineers and other professional advisors;
- (e) apply for and obtain appropriate insurance coverage for the Company;

(f) temporarily invest funds of the Company in short term investments where there is appropriate safety of principal;

(g) acquire in the name of the Company by purchase, lease or otherwise, any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(h) engage in any kind of activity and perform and carry out contracts of any kind necessary to, in connection with, or incidental to the accomplishment of the purposes of the Company, so long as said activities and contracts may be lawfully carried on or performed by a limited liability company under the Act and are in the ordinary course of the Company's business;

(i) negotiate, execute and perform all agreements, contracts, leases, loan documents and other instruments and exercise all rights and remedies of the Company in connection with the foregoing; and

(j) pledge any assets of the Company, or require the Members to pledge their Units, as collateral for a loan.

6.3 Number, Appointment, Tenure and Election of Manager. The initial Manager of the Company shall be Central States Water Resources, Inc. There shall be one Manager of the Company, and such number may not be increased.

6.4 Removal, Resignation and Election of the Manager.

(a) The Manager may be removed by a vote of a Supermajority in Interest.

(b) The Manager may resign from such position at any time upon giving 30 days' prior Notice to the Members.

6.5 Execution of Filed Documents. Any Member or the Manager shall have the power and authority to execute, on behalf of the Company, the Manager or the Members, any document filed with the Secretary of the State of Missouri pursuant to the terms of the Act.

**ARTICLE 7
LIABILITY AND INDEMNIFICATION**

7.1 Liability of Members and Manager.

(a) A Member shall only be liable to make the payment of the Member's initial Capital Contribution pursuant to Section 3.1 and the additional Capital Contributions, if any, required by Section 3.2 hereof. No Member or Manager shall be liable for any obligations of the Company or any other Member or Manager, unless personally guaranteed by the Member or Manager pursuant to a separate document.

(b) No distribution of Net Cash Flow or other cash made to any Member shall be determined a return or withdrawal of a Capital Contribution unless so designated by the Manager in its sole and exclusive discretion. No Member, except as otherwise specifically provided in the Act, shall be obligated to pay any distribution to or for the account of the Company or any creditor of the Company.

7.2 Indemnification. The Members, the Manager, any officers of the Company appointed by the Manager, and their Affiliates, and their respective stockholders, members, managers, directors, officers, partners, agents and employees (individually and collectively, an "Indemnitee") shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, in which the Indemnitee may be involved, or threatened to be involved, as a party or otherwise by reason of such Indemnitee's status as any of the foregoing, which relates to or arises out of the Company, its assets, business or affairs, if in each of the foregoing cases (i) the Indemnitee acted in good faith and in a manner such Indemnitee believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal proceeding, had no reasonable cause to believe such Indemnitee's conduct was unlawful, and (ii) the Indemnitee's conduct did not constitute gross negligence or willful or wanton misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that the Indemnitee acted in a manner contrary to that specified in (i) or (ii) above. Any indemnification pursuant to this Article 7 shall be made only out of the assets of the Company and no Manager or Member shall have any personal liability on account thereof.

7.3 Expenses. Expenses (including reasonable legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding described in Section 7.2 may, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding, in the discretion of the Manager, upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Article 7.

7.4 Non-Exclusivity. The indemnification and advancement of expenses set forth in this Article 7 shall not be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, the Act, the Articles, this Agreement, any other agreement, a vote of Members, a policy of insurance or otherwise, and shall not limit in any way any right which the Company may have to make additional indemnifications with respect to the same or different persons or classes of persons, as determined by the Manager. The indemnification and advancement of expenses set forth in this Article 7 shall continue as to an Indemnitee who has ceased to be a named Indemnitee and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such a Person.

7.5 Insurance. The Company may purchase and maintain insurance on behalf of the Indemnitees against any liability asserted against them and incurred by them in such capacity, or

arising out of their status as Indemnitees, whether or not the Company would have the power to indemnify them against such liability under this Article 7.

ARTICLE 8 TRANSFERS OF UNITS AND ASSIGNMENTS; WITHDRAWAL

8.1 General Restrictions.

(a) No Member may Transfer all or any part of such Member's Units, except as provided in this Article 8. Any purported Transfer of any Units in violation of the terms of this Agreement shall be null and void and of no effect. If a Majority in Interest determine in their reasonable discretion that any Transfer will result in a termination of the Company under Section 708(b)(1)(B) of the Code, then such Transfer shall be null and void. A permitted Transfer shall be effective as of the date specified in the instruments relating thereto. Any transferee desiring to make a further Transfer shall become subject to all the provisions of this Article 8 to the same extent and in the same manner as any Member desiring to make any Transfer.

(b) No Member shall have the right to reduce such Member's Capital Contribution or to receive any distributions from the Company. No Member shall be entitled to receive or be credited with any interest on the balance of such Member's Capital Contribution at any time.

(c) No Member shall have the right to withdraw, except upon ninety (90) days' Notice to the other Members and with the consent of a Supermajority in Interest. If the withdrawing Member withdraws in accordance with the foregoing sentence and if a Supermajority in Interest cannot agree upon the payment, if any, due from Company to the withdrawing Member in exchange for his/her/its Units, then the withdrawing Member shall receive no payment and shall have the status of an assignee with the Units that such Member had as a Member. In the event a Member withdraws from the Company in violation of this Agreement, such Member (the "Member in Violation") shall not be entitled to receive back his/her/its Capital Contribution and shall not be entitled to receive any other type or form of payment from the Company; instead, such Member in Violation shall have the status of an assignee (and shall remain liable for any unpaid Capital Contributions or any required additional Capital Contribution). A member in violation shall not be eligible to vote or be counted in determining a Supermajority in Interest. In addition, the voting percentages of all the Members other than the Member in Violation shall be adjusted on a pro rata basis to equal 100%.

(d) All voting rights shall be forfeited with respect to all Units which are transferred other than to a transferee who becomes a substitute Member (in accordance with Section 8.3), whether such Transfer is voluntary or involuntary, by order of a court or by operation of law.

(e) A Person shall cease to be a Member upon assignment of all the Member's Units.

(f) In the event a Member assigns any Units and the assignee has not yet been admitted as a substitute Member pursuant to Section 8.3, the voting percentages of all the Members other than the Member that assigned his/her/its Units shall be adjusted on a pro rata basis to equal 100% until such time as the assignee of the Units is admitted as a substitute

Member, at which time, the voting percentages shall then be adjusted again on a pro rata basis to equal 100%, taking into account such substituted Member's Units.

(g) If a Member who is an individual dies or a court of competent jurisdiction judges the Member to be incompetent to manage his affairs or property, then the Member's executor, administrator, guardian, conservator or other legal representative shall automatically become an assignee of the Member's Units.

8.2 Permitted Transfers.

(a) Each Member shall have the right to Transfer (but not to substitute the transferee as a substitute Member in such Member's place, except in accordance with Section 8.3), by a written instrument, all or any part of such Member's Units, if, and only if (except for Transfers upon death), a Majority in Interest has consented in writing to such Transfer or if the Transfer is to a Permitted Assignee.

(b) Unless and until admitted as a substitute Member pursuant to Section 8.3, a transferee of a Member's Units in whole or in part shall be an assignee with respect to such transferred Units and shall not be entitled to participate in the management of the business and affairs of the Company or to become or to exercise the rights of a Member, including the right to vote, the right to require any information or accounting of the Company's business or the right to inspect the Company's books and records. Such transferee shall only be entitled to receive, to the extent of the Units transferred to such transferee, the share of distributions and profits, including distributions representing the return of Capital Contributions, to which the transferor would otherwise be entitled with respect to the transferred Units. The transferee shall not have the right to vote such transferred Units until the transferee is admitted to the Company as a substituted Member with respect to the transferred Units. Until the transferee has been admitted as a substitute Member pursuant to Section 8.3, the transferee shall not be counted in determining a Supermajority in Interest or Majority in Interest, until such time as the transferee of the Units is admitted as a substitute Member, at which time, the transferee shall be taken into account in determining a Supermajority in Interest or Majority in Interest.

8.3 Substitute Members. No transferee of all or part of a Member's Units shall become a substitute Member in place of the transferor unless and until:

(a) the transferee has executed an instrument accepting and adopting the terms and provisions of the Articles and this Agreement;

(b) the transferee has caused to be paid all reasonable expenses of the Company in connection with the admission of the transferee as a substitute Member; and

(c) the transfer is in accordance of Section 8.2.

Upon satisfaction of all the foregoing conditions with respect to a particular transferee, the Majority in Interest or Manager shall cause the books and records of the Company to reflect the

admission of the transferee as a substitute Member to the extent of the transferred Units held by the transferee.

8.4 Effect of Admission as a Substitute Member. A transferee who has become a substitute Member has, to the extent of the transferred Units, all the rights, powers and benefits of and is subject to the restrictions and liabilities of a Member under the Articles, this Agreement and the Act. Upon admission of a transferee as a substitute Member, the transferor of the Units so acquired by the substitute Member shall cease to be a Member of the Company to the extent of such transferred Units. A Person shall cease to be a Member upon the admission of a substitute Member with respect to all such Member's Units.

8.5 Additional Members. After the formation of the Company, any Person acceptable to the Supermajority in Interest may become an additional Member of the Company for such consideration (including the revaluation of the Capital Contributions, as necessary or appropriate, of the existing Members) as the Supermajority in Interest shall determine, provided that such additional Member complies with all the requirements of a transferee under Sections 8.3(a) and (b). No additional Member shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. Notwithstanding any provision of this Section 8.5, no approval is required for an additional Member that is a Permitted Assignee to be admitted as a Member.

8.6 Purchase Terms Varied By Agreement. Provided that the restrictions set forth in this Agreement have been satisfied, nothing contained herein is intended to prohibit Members from agreeing upon other terms and conditions for the purchase by the Company or any other Member of the Units (or any portion thereof) of any Member desiring to retire, withdraw or resign.

8.7 Pledges of Units. Notwithstanding any and all provisions in this Agreement, the Company may not require any Member to pledge their Units as collateral for a loan unless directed to do so by the Supermajority in Interest.

8.8 Termination of Employment of Cox. In the event that Cox ceases to be an employee of the Company or any of its affiliates either due to the Company terminating him for Cause or if Cox voluntarily terminates his employment, the Company shall have the right to redeem all Units owned by Cox or any of his Affiliates for a period of sixty (60) days after such termination of Cox's employment. Notwithstanding the foregoing, if the Company exercises its option to redeem Cox's Units, as set forth above, prior to him being convicted in a court of law of such alleged crime or entering into a plea of guilty to such alleged crime and Cox is ultimately acquitted of such alleged crime, Cox shall have the right (i) to redeem his Units at the same price paid to him by the Company within ninety (90) days of his acquittal of such alleged crime, or (ii) if the remaining Members sell either all of the outstanding Units or all or substantially all of the assets of the Company after redeeming Cox's Units, to be paid the pro rata value of the total purchase price received that would have been attributable to Cox's Units. The Company shall exercise such option by providing written notice to Cox during the sixty (60) day option period. If the Company fails to exercise such option during the sixty (60) day option period, then GWSD, LLC shall have the option to purchase the Units from Cox for a period of one hundred twenty

(120) days after the termination of Cox's employment. If either the Company or GWSD, LLC exercise the right to purchase the Units from Cox, the purchase price shall be the Net Book Value of the Units owned by Cox. However, if Cox's employment with the Company or any of its affiliates is terminated without Cause, Cox shall remain as a Member of the Company or he shall have the option to require the Company to purchase his Units at a purchase price of the Net Book Value of the Units owned by Cox. Cox's option to require the Company to purchase his Units shall be at his discretion and shall remain a vested option for a period of five (5) years after his employment is terminated without Cause, at which time the option will expire. If Cox elects to exercise his right to require the Company to purchase his Units, the Company shall close on such purchase within sixty (60) days of written notice from Cox that he is exercising this option and pay the full purchase price at closing.

8.9 Transfer Event. If at any time a Transfer Event or a sale of substantially all of the Company's assets to any Person who is not an Affiliate occurs, a Majority in Interest may, in their sole discretion, require each other Member to Transfer their Units in the same transaction or to take any action reasonably required to consummate the sale of substantially all of the Company's assets (collectively the "Exit Sale"), and the following shall apply:

(a) The other Members shall be provided a written offer describing the name of the proposed purchaser, the price and payment terms and other terms and conditions offered by the proposed purchaser (the "Majority Offer"). Each other Member shall be required to participate in the Exit Sale on the terms and conditions set forth in the Majority Offer, and shall participate in the Exit Sale as a seller of all of such other Member's Units along with the sale by a Majority in Interest or take other such action required to consummate the Exit Sale upon the same terms and conditions as the Majority in Interest, all as set forth in the Majority Offer; provided that the consideration payable to the Members shall be computed based upon the specified terms and conditions and computed consistent with Section 8.9(d).

(b) The Members shall take all necessary and desirable actions in connection with the consummation of any Exit Sale, including the execution of such agreements and instruments and other actions reasonably necessary to provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements (including any contribution agreements among Members and assignees in the forms requested by a Majority in Interest and including non-competition agreements). However, no Member shall be required to provide (i) any non-compete covenants that are in addition to the covenants that such Member has already made to the Company and/or any of its affiliates, or (ii) any other covenants that are in addition to the covenants that such Member has already made to the Company and/or any of its affiliates unless such covenants are equal to the covenants given by the Majority in Interest.

(c) If any Member fails to deliver any Units to be acquired, transferred or exchanged hereunder, the acquiror may elect to establish a segregated account in the amount of the price to be paid therefor, such account to be turned over to such Member upon delivery of instruments transferring the Units. If a segregated account is so established, the Company shall take such action as is appropriate to transfer record title to

the Units from such Member to the acquiror. Each Member hereby irrevocably grants the Company a power of attorney to effectuate the purposes of this Section 8.9. THIS POWER OF ATTORNEY AND PROXY IS COUPLED WITH AN INTEREST AND IS IRREVOCABLE.

(d) All amounts payable in an Exit Sale to the Members shall be paid as follows:

(i) First, to the Members to the extent of each Member's Unpaid Preferred Return (to be paid pro rata to each Member with Unpaid Preferred Return);

(ii) Second, to the Members to the extent of each Member's Unreturned Capital (to be paid pro rata to each Member with Unreturned Capital);

(iii) Finally, to the Members in pro rata proportion to their Percentage Interests, provided, however, that so long as Cox is still employed at the Company or one of its Affiliates, Cox and his Affiliates shall receive seventeen percent (17%) of the proceeds distributed pursuant to this Section 8.9(d) (which shall dilute the Percentage Interests of all Members other than Cox and his Affiliates) and which shall be no less than seventeen percent (17%) of the Net Book Value of the Company at the time of the consummation of the Exit Sale.

8.10 Cox Option to Transfer Units to Company. If the Majority in Interest take any action to amend, modify or change this Agreement in a manner that materially impairs Cox's rights or financial interests in the Company or an Affiliate as a Member holding a minority share of the Percentage Interest in the Company or such respective ownership interest in an Affiliate, Cox may submit a written objection to the Company and each Member within five (5) days of the meeting at which such amendment, modification, or change to this Agreement was approved setting forth the basis for his objection to such amendment, modification or change to this Agreement. Within thirty (30) days of receipt of such notice from Cox, the Members may amend, modify, or change this Agreement (i) to be identical to the version in effect prior to such amendment, modification, or change, or (ii) to a form approved by Cox. If such amendment, modification, or change is not made, at the end of the thirty (30) day period Cox shall have the right to offer all, but not less than all, of his Units to the Company for purchase, and the Company shall be required to purchase all of Cox's Units within ninety (90) days of its receipt of written notice from Cox exercising his right to transfer his Units to the Company at a price equal to the Net Book Value of the Units plus a premium of twenty-eight percent (28%). In addition, if Cox exercises the aforementioned right to transfer his Units to the Company, upon the closing of such transfer (or at such earlier date at the Majority in Interest's discretion), Cox's employment with the Company shall terminate, and such termination shall be considered a termination by the Company without Cause.

**ARTICLE 9
DISSOLUTION AND TERMINATION**

9.1 Events Causing Dissolution.

(a) Except as otherwise expressly provided herein, the Company shall be dissolved upon the first to occur of the following events:

(i) The vote of a Supermajority in Interest to dissolve; or

(ii) The sale or other disposition of substantially all of the assets of the Company and the receipt and distribution of all the proceeds therefrom.

(b) Upon an "event of withdrawal" (as defined in the Act) of a Member or upon the occurrence of any other event which terminates the continued membership of a Member in the Company, the Company shall not be dissolved and the business of the Company shall continue. Each Member hereby specifically consents to such continuation of the business of the Company upon the event of withdrawal of any Member.

9.2 Notices to Secretary of State.

(a) As soon as possible following the occurrence of the events specified in Section 9.1 above, the Company shall file a notice of winding-up with the Secretary of State of Missouri which discloses the dissolution of the Company and the commencement of winding-up of its business and affairs.

(b) When all of the Property of the Company has been distributed, the Articles shall be canceled by filing articles of termination with the Secretary of State of Missouri.

9.3 Cash Distributions Upon Dissolution. Upon the dissolution of the Company as a result of the occurrence of any of the events set forth in Section 9.1, the Manager shall proceed to wind up the affairs of and liquidate the Company and the Liquidation Proceeds shall be applied and distributed in the following order of priority:

(a) First, to the payment of debts and liabilities of the Company in the order of priority as provided by law (including any loans or advances that may have been made by any of the Members to the Company) and the expenses of liquidation.

(b) Second, to the establishment of any reserve which the Manager may deem reasonably necessary for any contingent, conditional or unasserted claims or obligations of the Company. Such reserve may be paid over by the Manager to an escrow agent to be held for disbursement in payment of any of the aforementioned liabilities and, at the expiration of such period as shall be deemed advisable by the Manager, for distribution of the balance in the manner provided in this Article 9.

(c) Third, to the Members to the extent of each Member's Unpaid Preferred Return (to be paid pro rata to each Member with Unpaid Preferred Return);

(d) Fourth, to the Members to the extent of each Member's Unreturned Capital (to be paid pro rata to each Member with Unreturned Capital); and

(e) Finally, the remaining balance of the Liquidation Proceeds, if any, to the Members, pro rata in proportion to their respective Percentage Interests.

9.4 In-Kind. Notwithstanding the foregoing, in the event the Manager shall determine that an immediate sale of part of or all the Property would cause undue loss to the Members, or the Manager determine that it would be in the best interest of the Members to distribute the Property to the Members in-kind (which distributions do not, as to the in-kind portions, have to be in the same proportions as they would be if cash were distributed, but all such in-kind distributions shall be equalized, to the extent necessary, with cash), then the Manager may either defer liquidation of, and withhold from distribution for a reasonable time, any of the Property except that necessary to satisfy the Company's debts and obligations, or distribute the Property to the Members in-kind.

ARTICLE 10 ACCOUNTING AND BANK ACCOUNTS

10.1 Fiscal Year and Accounting Method. The fiscal year and taxable year of the Company shall be as designated by the Manager in accordance with the Code. Notwithstanding any other provision hereof to the contrary, the Company shall use the cash method of accounting.

10.2 Books and Records.

(a) The books and records of the Company shall be maintained at its principal place of business.

(b) The Company shall keep the following books and records:

(i) A current and past list, setting forth in alphabetical order the full name and last known mailing address of each Member and Manager to the extent provided by the Act, these lists shall be provided to the Secretary of State of the State of Missouri, without cost, upon his/her/its written request;

(ii) A copy of the Articles and amendments thereto together with executed copies of any powers of attorney pursuant to which any Articles or amendments have been executed;

(iii) Copies of the Company's federal, state and local income tax returns and reports, if any, for the three most recent years or, if such returns and reports were not prepared for any reason, copies of the information and records provided to, or which should have been

provided to, the Members to enable them to prepare their federal, state and local tax returns for such period;

(iv) Copies of this Agreement, and all amendments thereto, and copies of any written operating agreements no longer in effect;

(v) Copies of any financial statements of the Company for the three most recent years;

(vi) Copies of any written promise by a Member to make a contribution to the Company;

(vii) Copies of any written consents by the Members to the admission of any Person as a Member of the Company; and

(viii) Copies of any other instruments or documents reflecting matters required to be in writing pursuant to this Agreement.

(c) Each Member (or such Member's designated representative) shall have the right during ordinary business hours and upon reasonable Notice to inspect and copy (at such Member's own expense) the books and records of the Company required to be kept by Section 10.2(b) hereof.

10.3 Books and Financial Reports.

(a) Proper and complete records and books of account shall be kept by party a person chosen by the Majority in Interest in which shall be entered all transactions and other matters relative to the Company business. The Company's books and records shall be prepared in accordance with generally accepted accounting principles, consistently applied.

(b) The Company shall have prepared at least annually, at the Company's expense, financial statements (balance sheet, statement of income or loss, Members' equity, and changes in financial position) prepared in accordance with generally accepted accounting principles. Copies of such statements and any accompanying report shall be distributed to the Members within 120 days after the close of each taxable year of the Company or as soon thereafter as possible.

10.4 Tax Returns and Elections.

(a) The Company shall cause to be prepared and timely filed all federal, state and local income tax returns or other returns or statements required by applicable law.

(b) As soon as reasonably practicable after the end of each fiscal year of the Company, the Company shall cause to be prepared and delivered to each Member all information with respect to the Company necessary for the Member's federal and state income tax returns.

10.5 Bank Accounts. All funds of the Company shall be deposited in a separate bank, money market or similar account(s) approved by the Manager and in the Company's name. Withdrawals therefrom shall be made only by persons authorized to do so by the Manager.

ARTICLE 11 MISCELLANEOUS

11.1 Title to Property; No Partition. Title to the Property shall be held in the name of the Company. No Member shall individually have any ownership interest or rights in the Property, except indirectly by virtue of such Member's ownership of Units. No Member shall have any right to any specific assets of the Company upon the liquidation of, or any distribution from, the Company. The Members agree that the Property is not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all right such Member may have to maintain any action for partition of any of the Property.

11.2 Waiver of Default. No consent or waiver, express or implied, by the Company or a Member with respect to any breach or default by the Company or a Member hereunder shall be deemed or construed to be a consent or waiver with respect to any breach or default by any party of the same provision or any other provision of this Agreement. Failure on the part of the Company or a Member to complain of any act or failure to act of the Company or a Member to declare such party in default shall not be deemed or constitute a waiver by the Company or the Member of any rights hereunder.

11.3 Amendment. Except as otherwise expressly provided elsewhere in this Agreement, this Agreement shall not be altered, modified or changed except by an amendment approved by a Majority in Interest at a duly called meeting of the Members and not by an action without a meeting as set forth in Section 5.4 herein.

11.4 No Third Party Rights. None of the provisions contained in this Agreement shall be for the benefit of or enforceable by any third parties, including creditors of the Company. The parties to this Agreement expressly retain any and all rights to amend this Agreement as herein provided, notwithstanding any interest in this Agreement or in any party to this Agreement held by any other Person.

11.5 Severability. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

11.6 Nature of Interest in the Company. A Member's Units shall be personal property for all purposes.

11.7 Binding Agreement. Subject to the restrictions on the disposition of Units herein contained, the provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

11.8 Headings. The headings of the Articles and sections of this Agreement are for convenience only and shall not be considered in construing or interpreting any of the terms or provisions hereof.

11.9 Word Meanings. The words such as "herein", "hereinafter", "hereof", and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and vice versa, unless the context otherwise requires.

11.10 Counterparts. This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

11.11 Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior writings or agreements with respect to the subject matter hereof.

11.12 Representations and Acknowledgments.

(a) Each Member does hereby represent and warrant by the signing of a counterpart of this Agreement that the Units acquired by him/her was acquired for his/her/its own account, for investment only, and not for the benefit of any other person, and not for resale to any other person or future distribution, and that he/she has relied solely on the advice of his/her/its personal tax, investment or other advisor(s) in making his/her/its investment decision. The Manager has not made and hereby make no warranties or representations other than those set forth in this Agreement.

(b) Each Member acknowledges and agrees that the firm of Husch Blackwell LLP has represented the Company and not any Member individually. Each Member acknowledges and agrees that such Member has been advised to seek separate counsel with respect to the Company, this Agreement and all matters pertaining thereto.

11.13 Arbitration. Except as provided in this Section 11.13, any dispute arising out of or relating to this Agreement or the breach, termination or validity hereof (collectively, a "Dispute") shall be settled by arbitration in Missouri in accordance with the commercial arbitration rules then in effect of United States Arbitration and Mediation, 500 N. Broadway, Suite 1800, St. Louis, MO 63102. The Members, Manager, and the Company consent to the jurisdiction of the Circuit Court of St. Louis County, State of Missouri, for injunctive, specific enforcement or other relief in aid of the arbitration proceedings or to enforce judgment of the award in such arbitration proceeding, but not otherwise. The award entered by the arbitrator(s) shall be final and binding on all parties to arbitration. Each party shall bear its respective arbitration expenses and shall share the arbitrator's charges and expenses, as determined by the arbitrator(s). The arbitrator(s) shall have the right to award reasonable attorneys' fees to the prevailing party in the arbitration. However, the arbitrator(s) shall not award punitive, exemplary or consequential damages. These procedures are for the settlement of Disputes only and are not to be used for disagreements concerning the policy, organization, management or practice of the Company.

Nothing contained in this Section 11.13 is intended to expand any substantive rights any party may have under other Sections of this Agreement.

11.14 Non Disclosure. Each Member for itself and on behalf of its Affiliates agrees to keep the provisions of this Agreement and all schedules, appendices and exhibits hereto in confidence except pursuant to the requirements of applicable law and shall not publish or otherwise disclose the same at any time without the prior written consent of all the Members.

11.15 Governing Law. This Agreement shall be construed according to and governed by the laws of the State of Missouri.

CERTIFICATION

THE UNDERSIGNED Manager and Members hereby signify, certify and evidence their respective adoption and ratification of this Amended and Restated Operating Agreement of First Round CSWR, LLC as of the Effective Date.

**THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION
WHICH MAY BE ENFORCED BY THE PARTIES**

MEMBERS

GSWD, LLC

By its Manager Swiss LLC

By: _____
Name: _____
Title: Manager

Josiah M. Cox

Central States Water Resources, Inc.

By: _____
Josiah M. Cox, President

BEING ALL OF THE MEMBERS

MANAGER

Central States Water Resources, Inc.

By: _____
Josiah M. Cox, President

BEING THE SOLE MANAGER

SCHEDULE A – MEMBERS

<u>Name and Address</u>	<u>Capital Contribution</u>	<u>Units</u>
GWSD, LLC	\$1,479,763	869,999.99
Josiah M. Cox	\$0	130,000
Central States Water Resources, Inc.	\$0	0.01
	<hr/>	<hr/>
	\$1,483,508.54	1,000,000

SCHEDULE B – TAXES

1. Definitions.

"Capital Account" means a separate account established by the Company and maintained for each Member in accordance with this Schedule B.

"Member's Share of Company Minimum Gain" means an amount determined (i) in accordance with rules applicable to partnerships in Treasury Regulation Section 1.704-2(g) with respect to a nonrecourse liability of the Company in which no Member bears the economic risk of loss and (ii) in accordance with rules applicable to partnerships in Treasury Regulation Section 1.704-2(i) with respect to a nonrecourse liability of the Company in which any Member bears any portion of the economic risk of loss.

"Minimum Gain" means the amount of gain, if any, as set forth in rules applicable to partnerships in Treasury Regulations Section 1.704-2(d) that would be realized by the Company if it disposed of (in a taxable transaction) property subject to a nonrecourse liability of such Company, in full satisfaction of such liability (and for no other consideration).

"Profits and Losses For Tax Purposes" means, for accounting and tax purposes, the various items with respect to partnerships set forth in Section 702(a) of the Code and all applicable regulations, or any successor law, and shall include, but not be limited to, items such as capital gain or loss, tax preferences, credits, depreciation, other deductions and depreciation recapture.

"Treasury Regulations" means the regulations promulgated by the Treasury Department with respect to the Code, as such regulations are amended from time to time, or corresponding provisions of future regulations.

2. Maintenance of Capital Accounts. The Company shall maintain for each Member a separate account ("Capital Account") in accordance with the rules applicable to partnerships in Treasury Regulation 1.704-1 (b)(2)(iv) or any successor Treasury Regulations which by their terms would be applicable to the Company. No Member shall be entitled to receive or be credited with any interest on the balance of such Member's Capital Account at any time.

3. Allocation of Profits and Losses For Tax Purposes. Except as otherwise provided in Section 4 of this Schedule B, all Profits and Losses for Tax Purposes of the Company shall be allocated among the Members in accordance with their respective Percentage Interests.

4. Special Allocations.

4.1 Notwithstanding any other provisions of this Agreement to the contrary, if the amount of any Minimum Gain at the end of any taxable year is less than the amount of such Minimum Gain at the beginning of such taxable year, there shall be allocated to each Member gross income or gain (in respect of the current taxable year and any future taxable year) in an amount equal to such Member's share of the net decrease in Minimum Gain during such year in

accordance with Treasury Regulation Section 1.704-2(f). Such allocation of gross income and gain shall be made prior to any other allocation of income, gain, loss, deduction or Section 705(a)(2)(B) expenditure for such year. Any such allocation of gross income or gain pursuant to this Section shall be taken into account, to the extent feasible, in computing subsequent allocations of income, gain, loss, deduction or credit of the Company so that the net amount of all items allocated to each Member pursuant to this paragraph shall, to the extent possible, be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this paragraph if the allocations made pursuant to the first sentence of this paragraph had not occurred. This provision is intended to be a minimum gain chargeback as described in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistent therewith.

4.2 Notwithstanding any other provisions of this Agreement to the contrary, except as provided in Section 4.1 of this Schedule B, if there is a net decrease (as determined in accordance with Treasury Regulation Section 1.704-2(i)(3)) during a taxable year in Minimum Gain attributable to a non-recourse debt of the Company for which any Member bears the economic risk of loss (as determined accordance with Treasury Regulation Section 1.704-2(b)(4)), then any Member with a share of the Minimum Gain (as determined in accordance with Treasury Regulation Section 1.704-2(i)(5)) attributable to such debt (determined at the beginning of such taxable year) shall be allocated in accordance with Treasury Regulation Section 1.704-2(i)(4) items of Company income and gain for such taxable year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in the Minimum Gain attributable to such Member in accordance with Treasury Regulation Section 1.704-2(i). Any allocations of items of gross income or gain pursuant to this paragraph shall not duplicate any allocations of gross income or gain pursuant to Section 4.1 of this Schedule B and shall be taken into account, to the extent feasible, in computing subsequent allocations of the Company, so that the net amount of all items allocated to each Member pursuant to this paragraph shall, to the extent possible, be equal to the net amount that would have been allocated to each Member pursuant to the provisions of this paragraph if the allocations made pursuant to the first sentence of this paragraph had not occurred. This provision is intended to be a partner minimum gain chargeback as described in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistent therewith.

4.3 Notwithstanding any other provisions of this Agreement to the contrary, except as provided in Sections 4.1 and 4.2 of this Schedule B, if any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that reduces any Member's Capital Account below zero or increases the negative balance in such Member's Capital Account (taking into account such Member's deficit restoration obligation), gross income and gain shall be allocated to such Member in an amount and manner sufficient to eliminate any negative balance in such Member's Capital Account (taking into account such Member's deficit restoration obligation) created by such adjustments, allocations or distributions as quickly as possible in accordance with Treasury Regulation Section 1.704-1(b)(2)(ii)(d). Any such allocation of gross income or gain pursuant to this paragraph shall be in proportion with such negative Capital Accounts of the Members. Any allocations of items of gross income or gain pursuant to this paragraph shall not duplicate any allocations of gross income or gain made pursuant to Section 4.1 or 4.2 of this Schedule B and shall be taken into account, to the extent feasible, in computing subsequent allocations of income, gain, loss, deduction or credit, so that the net amount of all items allocated to each Member pursuant to this paragraph shall, to the

extent possible, be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this paragraph if such adjustments, allocations or distributions had not occurred. This provision is intended to be a qualified income offset as described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistent therewith.

4.4 Any item of Company loss, deduction or Section 705(a)(2)(B) expenditure that is attributable to a non-recourse debt of the Company for which any Member bears the economic risk of loss (as determined in accordance with rules applicable to partnerships in Treasury Regulation Section 1.704-2(b)(4)) shall be allocated to such Member in accordance with Treasury Regulation Section 1.704-2(i).

4.5 In accordance with Section 704(c) and the Regulations thereunder, if property is contributed to the Company and the fair market value of such property on the date of its contribution differs from the adjusted tax basis of such property, any income, gain, loss and deduction with respect to such property shall, solely for tax purposes, be allocated among the Members so as to take into account any variation between the adjusted tax basis to the Company of such property for federal income tax purposes and the fair market value of such property on the date of contribution to the Company. Such allocations shall be made using a reasonable method that is consistent with the purpose of Section 704(c) of the Code pursuant to Treasury Regulation Section 1.704-3.

5. **Persons Entitled to Allocations.** With respect to any period in which a transferee of the interest of a Member is first entitled to a share of the Profits And Losses For Tax Purposes, the Company shall, with respect to such Profits And Losses For Tax Purposes, allocate such items among the Persons who were entitled to such items on a basis consistent with the provisions of the Code and the Treasury Regulations.

6. **Tax Matter Member.** Until otherwise determined by a Majority in Interest, GWSD, LLC is hereby designated as the Company's "Tax Matters Member," which shall have the same meaning as "tax matters partner" under the Code, and in such capacity is hereby authorized and empowered to act for and represent the Company and each of the Members before the Internal Revenue Service and any court with respect to any audit or examination of any Company tax return and before any court and to retain such experts (including, without limitation, outside counsel or accountants) as deemed necessary.

7. **Negative Balance.** No Member with a negative balance in such Member's Capital Account shall have any obligation to the Company or any other Member to restore said negative balance to zero.