

**SECOND AMENDMENT TO
AGREEMENT FOR SALE OF UTILITY SYSTEM**

This Second Amendment to Agreement for Sale of Utility System (“**Second Amendment**”) is made and entered into this 12 day of April, 2022, by and between RED BIRD UTILITY OPERATING COMPANY, LLC, a North Carolina limited liability company (“**Buyer**”), and BEAR DEN ACRES DEVELOPMENT, INC., a North Carolina corporation and BEAR DEN MOUNTAIN RESORT INC., together (the “**Seller**”), collectively (the “**Parties**”).

RECITALS

WHEREAS, the Parties entered into that certain Agreement for Sale of Utility System dated, October 23, 2019, as amended by the Amendment to the Purchase and Sale Agreement dated November 25, 2020, with respect to the sale and purchase of certain utility systems in North Carolina (together the “**Agreement**”);

WHEREAS, by entering into this Second Amendment, the Parties desire to amend and modify the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Seller, as such term is defined in the Agreement, shall be amended to include Bear Den Mountain Resort, Inc., a North Carolina Corporation, in that both Bear Den Mountain Resort, Inc. and Bear Den Acres Development, Inc., are the respective owners of the Assets, and each of the respective Sellers will transfer rights in the respective Assets at the Closing to the Buyer.
2. Buyer, as such term is defined in the Amendment to Agreement for Sale of Utility System dated November 25, 2020, shall be amended and replaced with Red Bird Utility Operating Company, LLC, a North Carolina limited liability company.

IN WITNESS WHEREOF, the Parties have duly executed this Second Amendment as of the day and year first above written either simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

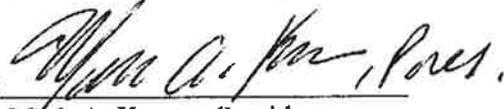
[SIGNATURE PAGE FOLLOWS]

SELLER:

BEAR DEN ACRES DEVELOPMENT,
INC., a North Carolina corporation

By: 
Mark A. Krauss, President

BEAR DEN MOUNTAIN RESORT,
INC., a North Carolina corporation

By: 
Mark A. Krauss, President

BUYER:

RED BIRD UTILITY OPERATING
COMPANY, LLC, a North Carolina limited
liability company

By: 
Josiah M. Cox (Apr 13, 2022 09:41 CDT)
Josiah M. Cox, President

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT (“Agreement”), is made and entered into this 23rd day of October, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and BEAR DEN ACRES DEVELOPMENT, INC. (“Seller”), collectively (“Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates, as a regulated water corporation, water facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in McDowell County, North Carolina (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a corporation, organized and existing under the constitution and the laws of the State of North Carolina, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of water to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated affiliate, all of Seller's then existing assets pertaining to the provision of water service in the System located in McDowell County, in the State of North Carolina, and related properties, including, without limitation, the following:

- A. The land, improvements thereon, easements, rights of way, permits and leases

related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit "B"*, attached hereto;

B. All of Seller's installed water service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in McDowell County, North Carolina, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of water service in McDowell County, North Carolina as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's contract rights, goodwill, and general intangibles including accounts receivable pertaining to the water service, except accounts receivable accrued prior to the Closing; and

F. All assets not described which are located in McDowell County, North Carolina, and used exclusively to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any water and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of

the Purchase Price issued by a company authorized to issue title insurance in the state of North Carolina, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association (“ALTA”) title examination standards (“Title Standards”). After delivery of said title insurance commitment and Buyer’s completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer’s option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Seller shall act diligently and cooperate with Buyer to obtain any regulatory approvals required from the North Carolina Utilities Commission (“NCUC”), North Carolina Department of Environmental Quality (“NCDEQ”), or any other regulatory agency in the State of North Carolina, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED] [REDACTED] for purchase of the Assets (“Purchase Price”).

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller’s Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer’s sole discretion, or at such other time as the parties hereto may mutually agree (the “Closing”). At the Closing, Buyer shall prepare and have delivered to Seller such deeds, bills of sale, endorsements, assignments and other

sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Seller will execute such documents prepared and delivered by Buyer. Upon execution and delivery of such documents to Buyer, Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation, organized and existing under the constitution and laws of the State of North Carolina in good standing with the North Carolina Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained the legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor prior to closing to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the McDowell County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor

is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation organized, existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

The NCUC and NCDEQ shall have, if necessary, authorized or approved the sale, transfer or disposition of the Assets to Buyer from Seller, the proposed financing, and any schedule of compliance for proposed utility improvement projects for regulatory compliance deemed necessary by Buyer, each in form and substance (including without limitation with respect to the terms and conditions contained in such approval) acceptable to Buyer in Buyer's sole and absolute discretion. Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such

time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the closing; including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the date of the Closing, to include any regulatory assessments.

D. **Feasibility.**

Completion of Buyer's examination, testing and inspection of the Assets, the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, and any other due diligence determined by the Buyer as necessary in order to determine the feasibility of this acquisition, the results of any of the foregoing to be satisfactory to Buyer, in its sole and absolute discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice

to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by

law to be made, or with the consent of Seller made by Buyer at any time after the date of closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement is being delivered and is intended to be performed in the State of North Carolina, and shall be construed and enforced in accordance with the laws of such state.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 20, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent

between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Mark A. Krauss, President
600 Bear Den Mountain Rd.
Spruce Pine, NC 28777
Phone: (828) 765-2888
(828) 765-2844
Facsimile: (828) 765-8812
Email: omega@airlogic.net

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties 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 and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY’S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys’ fees to enforce the terms of this Agreement or to recover

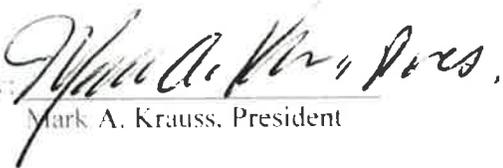
damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

27. AUTHORITY TO EXECUTE. Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

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

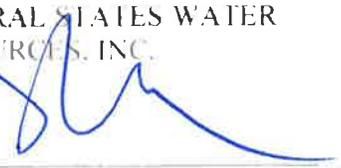
SELLER:

BEAR DEN ACRES DEVELOPMENT,
INC.

By: 
Mark A. Krauss, President

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: 
Josiah Cox, President

FINAL SERVICE AREA MAP BEAR DEN (WATER) MCDOWELL, NC

Bear Den - McDowell, NC

Being the service area of waterlines of Bear Den Mountain Resort, Inc., located in McDowell County, North Carolina in the North Cove Township, encompassing the Bear Den Acres Subdivision, and being more particularly described as follows:

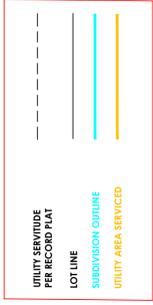
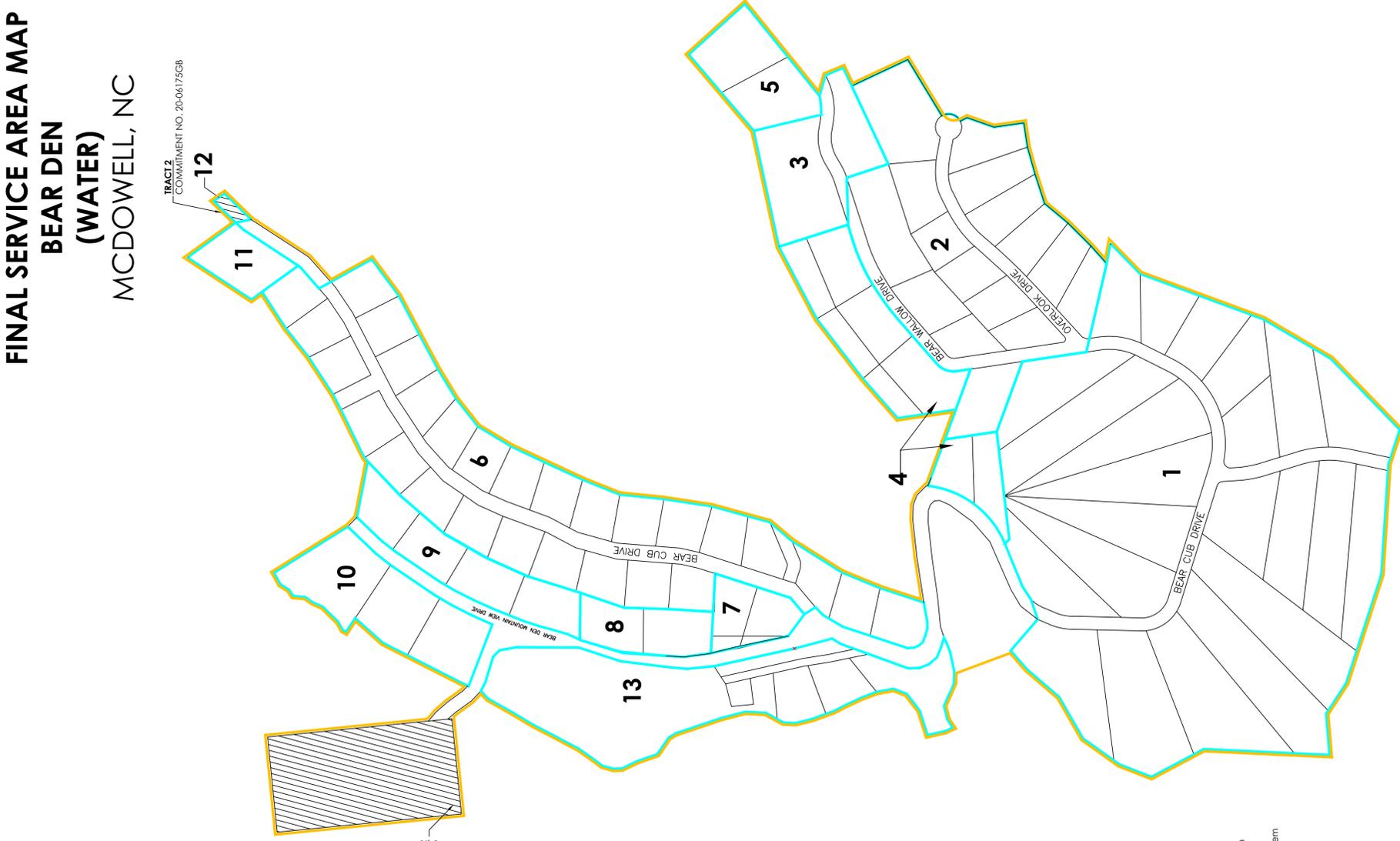
To locate the POINT OF BEGINNING, commence at the NGS concrete monument "Cavern" PID F43589 (N:796944.47 E:1120996.14), and run North 83°48'22" West, 779.67 feet to a five-eighths inch rebar found (N:796860.37 E:1120221.19) at a common property corner of the parcels shown in Plat Book 27, Page 35 and Plat Book 26, Page 98 of the McDowell County Public Registry, and on the southeastern right-of-way line of Bear Cub Drive, and being the point of beginning of the service area herein described; thence from said POINT OF BEGINNING crossing Bear Cub Drive, North 50°14'27" West, 30.85 feet to a point on the northwestern right-of-way line of said drive; thence with said right-of-way line the following three (3) courses and distances: (1) South 35°14'20" West, 151.35 feet to a point; thence South 36°35'43" West, 5.62 feet to a point; thence South 50°37'43" West, 65.39 feet to a point; thence crossing Bear Cub Drive, South 27°20'29" East, 138.25 feet to a point at a common property corner of Lot 29 and the 208.32 acre parcel shown in Plat Book 26, Page 98; thence with the common property lines of the 208.32 acre parcel and Lots 1, 2, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, and 29 (PB 26/PG 98) the following sixteen (16) courses and distances: (1) South 55°20'37" West, 104.68 feet to a point; (2) South 63°59'49" West, 100.02 feet to a point; (3) South 63°39'01" West, 90.40 feet to a point; (4) South 60°26'19" West, 79.18 feet to a point; (5) South 53°31'49" West, 81.78 feet to a point; (6) South 32°53'19" West, 88.46 feet to a point; (7) South 27°13'07" West, 84.53 feet to a point; (8) South 26°27'13" West, 96.49 feet to a point; (9) South 23°40'01" West, 91.72 feet to a point; (10) South 07°35'49" West, 101.45 feet to a point; (11) South 10°24'13" West, 111.37 feet to a point; (12) South 17°10'42" West, 137.42 feet to a point; (13) South 42°09'13" West, 65.99 feet to a point; (14) South 34°03'43" West, 135.91 feet to a point; (15) South 24°02'25" West, 93.96 feet to a point; and (16) South 20°08'31" West, 105.85 feet to a point on the northern right-of-way line of Bear Cub Drive; thence leaving said common property lines, and with the property lines of the 208.32 acre tract and said right-of-way line the following six (6) courses and distances: (1) North 82°44'29" East, 100.12 feet to a point; (2) North 84°58'17" East, 86.62 feet to a point; (3) South 87°09'05" East, 35.40 feet to a point; (4) South 68°30'01" East, 25.61 feet to a point; (5) South 44°06'46" East, 33.01 feet to a point; and (6) South 04°25'24" East, 2.68 feet to a point at a common property corner of Lot 43 and the 208.32 acre tract; thence leaving said right-of-way line, and with the common property lines of the 208.32 acre tract and Lots 36, 40A, 41A, 42A, 43, 46A, 46B, and 47 (PB 26/PG 98) the following nine (9) courses and distances: (1) South 68°13'59" East, 186.43 feet to a point; (2) North 06°38'47" West, 134.38 feet to a point; (3) North 50°26'26" East, 120.94 feet to a point; (4) North 54°16'55" East, 173.14 feet to a point; (5) North 64°07'19" East, 187.38 feet to a point; (6) North 79°32'45" East, 272.71 feet to a point; (7) North 51°28'01" East, 230.07 feet to a point; (8) South 40°29'41" East, 173.91 feet to a point; and (9) South 52°54'31" West, 272.09 feet to a point on the northern right-of-way line of Bear Wallow Drive; thence leaving said common property lines, and crossing Bear Wallow Drive, South 71°57'35" East, 49.53 feet to a point on the southern right-of-way line of Bear Wallow Drive and at a common property corner of Lot 45 and the 208.32 acre tract; thence with the common property lines of the 208.32 acre tract and Lots 30 and 45 (PB 26/PG 98) the following four (4) courses and distances: (1) South 20°46'35" East, 43.84 feet to a point; (2) South 66°46'17" West, 45.83 feet to a point; (3) South 23°31'05" East, 141.90 feet to a point; and (4) South 60°37'01" East, 150.90 feet to a point on the right-of-way of the cul-de-sac of Overlook Drive; thence leaving said common property lines, and with the property line of the 208.32 acre tract and said right-of-way line, along a curve to the right, having a radius of 30.34 feet, a chord bearing of South 17°50'55" West, and a chord distance of 44.02 feet, an arc length of 49.25 feet to a point at a common property corner of Lot 29 and the 208.32 acre tract; thence leaving said right-of-way line, and with the common property lines of the 208.32 acre tract and Lots 24, 25, 26, 27, 28, and 29 (PB 26/PG 98) the following nine (9) courses and distances: (1) South 25°00'17" East, 17.48 feet to a point; (2) South 21°07'25" West, 65.18 feet to a point; (3) South 06°19'29" East, 69.05 feet to a point; (4) South 83°14'25" West, 56.38 feet to a point; (5) South 76°11'31" West, 64.35 feet to a point; (6) South 73°48'43" West, 71.30 feet to a point; (7) South 41°40'13" West, 69.66 feet to a point; (8) South 46°48'13" West, 74.25 feet to a point; and (9) South 50°03'01" West, 54.37 feet to a point at a common property corner of the Lot 24, the 208.32 acre tract, and Lot 7 shown in Plat Book 26, Page 98 and Plat Book 4, Page 66 of the McDowell County Public Registry; thence leaving said common property lines, and with the outermost boundary lines of Lots 1, 2, 4, 5, 6, 7, 15, 16, 17, 18, 19, and 23 shown in Plat Book 4, Page 66 and Plat Book 26, Page 98 the following eighteen (18) courses and distances: (1) South 77°56'14" East, 47.03 feet to a point; (2) South 47°32'55" West, 97.53 feet to a point; (3) South 22°04'06" West, 272.07 feet to a point; (4) South 22°04'06" West, 30.01 feet to a point; (5) South 32°13'07" West, 178.85 feet to a point; (6) South 47°47'28" West, 226.27 feet to a point; (7) North 70°04'53" West, 83.00 feet to a point; (8) North 84°33'49" West, 255.79 feet to a point; (9) North 70°20'48" West, 261.72 feet to a point; (10) North 55°15'57" West, 83.90 feet to a point; (11) South 87°03'25" West, 94.98 feet to a point; (12) North 04°27'57" East, 287.84 feet to a point; (13) North 26°19'12" West, 136.07 feet to a point; (14) North 23°10'09" East, 79.14 feet to a point; (15) North 37°24'50" East, 102.29 feet to a point; (16) North 62°02'51" East, 109.09 feet to a point; (17) North 42°34'12" East, 98.18 feet to a point; and (18)

*ALL PLATS HAVE BEEN ACCOUNTED FOR

SUBDIVISION LOCATIONS	
(SHADED AREAS REPRESENT PLATS THAT HAVE BEEN ACCOUNTED FOR)	
1	BEAR DEN CAMPGROUND 4-66
2	BEAR DEN ACRES 4-392
3	BEAR DEN ACRES LOTS 45-47 4-117
4	BEAR DEN ACRES 4-118
5	BEAR DEN ACRES LOTS 46-A & 46-B 4-186
6	SUBDIVISION OF PROPERTY BELONGING TO WILLIAM S. AND LOUISE R. MOODY 4-186
7	LOTS 4, 4A, 6, & 6A WILLIAM S. AND LOUISE R. MOODY 4-340
8	LOTS 11 AND 2 BEAR DEN CREEKSIDE CABINS 12-31
9	BEAR DEN MOUNTAIN CABINS 13-50
10	LOTS 7, 8, & 9 BEAR DEN MOUNTAIN CABINS 16-94
11	SURVEY OF PROPERTY DESCRIBED IN DEED BK 577, PG. 566 13-27
12	BEAR DEN MOUNTAIN RESORT 27-35
13	BEAR DEN MOUNTAIN RESORT 27-36

TRACT 1 - WELLSITE #1 & #2
COMMITMENT NO. 20-06175GB

TRACT 12
COMMITMENT NO. 20-06175GB



Utility Note Disclaimer:
The utilities shown hereon are depicted based on the original design plans provided by the system manager. 21 Design Group, Inc. performed no field verification of the layout and are unable to determine the exact location at this time. The location represents approximate location only and should not be construed as being 100% accurate. It is shown to provide general layout of the system only and should not be used to interpret encroachments.

MAP DISCLAIMER:
This document is a graphic representation of the approximate service area for a utility system. It is solely to provide a visual of the area of the system. This drawing does not constitute a property boundary survey and shall not be used to convey property.

North 50°56'33" East, 56.69 feet to a point; thence leaving said property lines, North 18°45'28" West, 137.85 feet to a point at a common property corner of the 208.32 acre tract (PB 26/PG 98) and the parcel shown as Sanitary Lift Station Area in Plat Book 27, Page 36 of the McDowell County Public Registry; thence with the common property lines of said parcels and Tracts 1 and 2 shown in Plat Book 27, Page 36 the following thirty-two (32) courses and distances: (1) North 86°15'12" West, 27.39 feet to a point; (2) North 66°59'45" West, 14.39 feet to a point; (3) North 62°22'07" West, 19.82 feet to a point; (4) North 65°12'48" West, 22.31 feet to a point; (5) South 77°59'10" West, 31.53 feet to a point; (6) South 58°58'18" West, 23.07 feet to a point; (7) North 22°51'48" West, 18.61 feet to a point; (8) North 10°44'30" West, 41.66 feet to a point; (9) North 74°04'42" East, 58.14 feet to a point; (10) North 54°16'43" East, 49.39 feet to a point; (11) North 22°57'04" East, 32.48 feet to a point; (12) North 08°44'36" West, 39.27 feet to a point; (13) North 18°54'25" West, 36.38 feet to a point; (14) North 23°27'17" West, 39.44 feet to a point; (15) North 25°28'46" West, 31.24 feet to a point; (16) North 18°25'21" West, 53.08 feet to a point; (17) North 12°23'24" West, 39.25 feet to a point; (18) North 04°53'18" East, 28.66 feet to a point; (19) North 30°46'07" East, 45.85 feet to a point; (20) North 01°14'18" East, 43.09 feet to a point; (21) North 19°16'15" West, 166.14 feet to a point; (22) North 31°32'47" West, 19.05 feet to a point; (23) North 55°37'28" West, 46.26 feet to a point; (24) North 19°24'25" West, 49.38 feet to a point; (25) North 25°41'37" West, 38.13 feet to a point; (26) North 01°59'24" West, 19.70 feet to a point; (27) North 15°35'48" East, 26.88 feet to a point; (28) North 36°05'24" East, 65.95 feet to a point; (29) North 27°57'38" East, 121.84 feet to a point; (30) North 31°25'51" East, 47.72 feet to a point; (31) North 29°27'09" East, 67.67 feet to a point; and (32) North 47°07'46" East, 24.58 feet to a point on the southern line of a 30 foot right-of-way shown in Plat Book 26, Page 98; thence with said right-of-way line the following three (3) courses and distances: (1) North 46°53'24" West, 31.43 feet to a point; (2) North 36°01'28" West, 44.33 feet to a point; and (3) North 40°55'01" West, 23.64 feet to a point on the common property line of the 208.32 acre tract and the parcel containing Well Site #1 and Well Site #2 shown in Plat Book 26, Page 98; thence leaving said right-of-way line, and with said common property line the following five (5) courses and distances: (1) South 05°42'21" East, 9.25 feet to a five-eighths inch rebar found; (2) South 84°17'12" West, 219.97 feet to a five-eighths inch rebar found; (3) North 05°42'23" West, 423.59 feet to a five-eighths inch rebar found; (4) North 84°18'40" East, 219.98 feet to a five-eighths inch rebar found; and (5) South 05°42'21" East, 369.45 feet to a point on the northern line of a 30 foot right-of-way shown in Plat Book 26, Page 98; thence leaving said common property lines, and with said right-of-way line the following five (5) courses and distances: (1) South 49°50'53" East, 26.87 feet to a point; (2) South 40°55'01" East, 34.97 feet to a point; (3) South 36°01'28" East, 42.83 feet to a point; (4) South 46°36'58" East, 27.32 feet to a point; and (5) South 64°44'07" East, 11.91 feet to a point on the common property line of the 208.32 acre tract and an unlabeled parcel shown in Plat Book 26, Page 98; thence with the common property lines of said parcels and Lots 7, 8, and 9 (PB 26/PG 98) the following fourteen (14) courses and distances: (1) North 22°42'48" East, 22.76 feet to a five-eighths inch rebar found; (2) North 28°45'25" East, 220.14 feet to a point; (3) North 44°20'56" East, 74.06 feet to a point; (4) North 54°47'12" West, 37.96 feet to a point; (5) North 30°31'54" East, 8.24 feet to a point; (6) North 61°59'17" East, 22.78 feet to a point; (7) North 46°16'22" East, 48.48 feet to a point; (8) North 25°41'24" East, 26.31 feet to a point; (9) North 38°18'14" East, 19.57 feet to a point; (10) North 07°31'51" East, 28.49 feet to a point; (11) North 58°04'38" East, 17.14 feet to a point; (12) North 34°00'01" East, 23.02 feet to a point; (13) North 62°40'52" East, 30.38 feet to a point; and (14) South 30°23'20" East, 199.46 feet to a point on the northwestern right-of-way line of Bear Den Mountain View Drive; thence leaving said common property lines and crossing Bear Den Mountain View Drive, South 44°17'09" East, 30.01 feet to a point at a common property corner of Lot 6 and the 208.32 acre tract; thence with the common property lines of the 208.32 acre tract and Lots 6, 24, 26, 28, 30, and an unlabeled lot (PB 26/PG 98) the following nine (9) courses and distances: (1) South 77°17'33" East, 130.81 feet to a point; (2) North 48°30'37" East, 11.52 feet to a point; (3) North 65°31'09" East, 162.64 feet to a point; (4) North 58°45'25" East, 101.53 feet to a point; (5) North 53°18'49" East, 84.19 feet to a point; (6) North 58°50'55" East, 100.58 feet to a point; (7) North 34°13'46" West, 30.14 feet to a point; (8) North 35°23'39" East, 175.33 feet to a point; and (9) South 34°20'03" East, 136.59 feet to a five-eighths inch rebar found at a common property corner of the 208.32 acre tract and the parcel shown in Plat Book 27, Page 35 of the McDowell County Public Registry; thence leaving said common property lines, and with the common property lines of the 208.32 acre tract and the parcel shown in Plat Book 27, Page 35 the following three (3) courses and distances: (1) North 44°16'36" East, 70.88 feet to a five-eighths inch rebar found; (2) South 34°26'12" East, 30.57 feet to a five-eighths inch rebar found; and (3) South 44°15'22" West, 85.40 feet to the point of beginning, containing 52.149 acres more or less.

NOTE: This description is for exhibit only and does not represent an actual boundary survey. This exhibit is based on a service area shape provided by 21 Design Group. The surveyor did not abstract nor perform any field verification of the exhibit accuracy. The location represents approximate location only and should not be construed as being 100% accurate.

DATE:	11/24/20
PROJECT NO:	0595-19
DRAWN BY:	K.A.R.
SCALE:	1" = 150'
SHEET NAME:	SERVICE AREA MAP



1351 Jefferson, Suite 301
Washington, MO 63090
P. 636-452-5029
mde@21designgroup.net

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by survey and title commitments, which shall be inserted prior to the Closing).

Lying and being situate in McDowell County, North Carolina, and being more particularly described as follows:

TRACT 1

Parcel No. 1729-00-06-2950

BEING WELL SITE #1 and WELL SITE #2, collectively containing 1.60 acres, shown on the plat of survey dated 09/09/2016 by R. Larry Greene, PLS #L-1517 entitled "Survey of a Portion of that Property Described in a Deed to Wm. Frederick Moody, Joseph R. Moody, Timothy R. Moody and Louanne M. Hawn," said plat being recorded in McDowell County in Plat Book 26 at Pages 98 & 99.

TOGETHER WITH the Easement that connects the southeastern corner of the 1.60 – acre well site lot to Bear Den Mountain View Drive, for ingress, egress and regress, for utility services, and for all purposes necessary for the full enjoyment of the subject property recorded in Book 1200, page 1006, and as set forth on plat recorded in Plat Book 26 at Pages 98 & 99.

TRACT 2

Parcel No. 1719-00-86-9611

BEING A PARCEL containing approximately 0.054 acres as shown on the survey plat dated November 1, 2016 by Marvin J. Nunley, PLS #L-4413, of Mountaineer Land Surveying, PA, 29 Summit Avenue, Spruce Pine, NC, that contains part of the property generally known as the Bear Den Campground property, said survey plat being recorded in MAP BOOK 27, PAGE 35 in the Office of the Register of Deeds of McDowell County, North Carolina, to which reference is made for all purposes. Said recorded plats are fully incorporated herein by reference.

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

2 water wells & associated equipment / water storage tank & associated equipment

All personal property comprising the Sewer System and/or Water System that services the area set forth on Exhibit A, including but not limited to, the water lines, pipes, wells, well house, tanks, pumps, meters, valves, and any other appurtenances of the Water System, and all machinery, equipment, supplies and other tangible items used in connection with the Water System and including but not limited to the sewer lines, pipes, lagoons, pump stations, pumps, tanks, meters, valves, and any other appurtenances of the Sewer System, and all machinery, equipment, supplies and other tangible items used in connection with the Sewer System.

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.
(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and or other
financial assurances and customer deposits)

NONE