

**AGREEMENT FOR SALE OF UTILITY SYSTEM**

**THIS AGREEMENT** (“Agreement”), is made and entered into this 18<sup>th</sup> day of September, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and CROSBY UTILITIES, INC. (“Seller”), collectively (“Parties”).

**WITNESSETH:**

**WHEREAS**, Seller has developed and operates, as a regulated water and sewer corporation, water and sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Wake 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 and sewer 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 and/or sewer service in the System located in Wake 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 water and sewer 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 Wake 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 and sewer service in Wake County, North Carolina as generally described in *Exhibit "D"*, attached hereto;

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

F. All assets not described which are located in Wake County, North Carolina, and used or useful 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/or sewer and other utility easements. The real estate will be conveyed by special 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] for purchase of the Assets ("Purchase Price"). In addition, the Purchase Price shall be adjusted to include an additional amount expended by the Seller, which shall not exceed [REDACTED] to install a new tank and resin disposal system for the benefit of the Property. The Purchase Price is payable by Buyer to Seller as follows:

- A. Within five (5) business days after Buyer and Seller have executed and delivered to one another this Agreement, Buyer shall place in escrow with Chicago Title Insurance Company, 150 Fayetteville Street, Suite 1120, Raleigh, NC

27601 ("Escrow Agent"), Fifteen Thousand Dollars and No Cents (\$15,000.00), which payment (and any interest earned thereon) made to Escrow Agent pursuant to this Agreement are hereinafter individually and collectively referred to as "Deposit." Buyer shall have the right to change the Escrow Agent at any time prior to Closing by providing notice to the Seller regarding the contact information of the new Escrow Agent. If Buyer changes Escrow Agents, the parties will cooperate with the transfer of the Deposit to the new Escrow Agent, and the Buyer shall pay any fees of the current Escrow Agent that were incurred up to the point of the transfer of the Deposit.

B. The balance at Closing in cash, bank or cashier's check, or wire transfer, after taking into consideration any Deposits and adjustments for closing costs and prorations. The date Escrow Agent receives the Deposit shall be the Effective Date as used herein. At such time as the Deposit is received by the Escrow Agent, the Deposit shall be applicable to the Purchase Price and shall be liquidated damages if Buyer defaults. If Buyer fails to timely deliver the Deposit, Seller shall have the right, as its sole and exclusive remedy, to terminate this Purchase Agreement by delivering written notice to Buyer, but if Buyer completes the delivery of the Deposit within two (2) days after receipt of the termination notice from Seller, then this Purchase Agreement shall remain in full force and effect. Buyer and Seller agree that Escrow Agent will hold the Deposit in accordance with the following terms on which Escrow Agent may rely and act:

i. Escrow Agent is not a party to, and is not bound by, or charged with notice of any agreement out of which this escrow may arise, other than this Purchase Agreement.

ii. Escrow Agent is acting solely as a stakeholder and depository, and is not responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness, or validity of the subject matter of the escrow, or for the identity or authority of any person executing or depositing it.

iii. Buyer and Seller agree to jointly and severally indemnify, defend and hold harmless Escrow Agent from and against any loss, cost, damage, expense and attorney's fee in connection with or in any way arising out of this Purchase Agreement in connection with Escrow Agent's capacity as escrow agent (but not in its capacity as title agent, title insurance company, closing agent or otherwise), except as may

result from Escrow Agent's own gross negligence or willful misconduct or a breach of this Purchase Agreement by Escrow Agent. As between Seller and Buyer, the party, if any responsible for Escrow Agent incurring any such loss, cost, damage, expense and attorney's fee shall indemnify, defend and hold harmless the non-responsible party from any and all such losses, costs, damages, expenses and attorney's fees paid by the non-responsible party to Escrow Agent pursuant to the provisions of this paragraph.

iv. Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other document Escrow Agent in good faith believes to be genuine and what it purports to be. Escrow Agent may, at its own expense, consult with legal counsel in the event of any dispute or questions as to the construction of any provisions hereof or its duties hereunder, and it shall be fully protected in acting in accordance with the opinion or instructions of such counsel.

v. In the event of a dispute between Buyer and Seller, Escrow Agent may continue to hold the Deposit pursuant to the terms hereof, or may, at the joint and several cost of Buyer and Seller, deposit the same in a court of competent jurisdiction. As between Seller and Buyer, the party ultimately found not to be entitled to the Deposit shall be responsible for the cost of Escrow Agent depositing the Deposit in a court of competent jurisdiction and shall reimburse the other party for any sums paid by such party to Escrow Agent in connection therewith. Escrow Agent may dispose of the Deposit in accordance with a court order, and it shall be fully protected if it acts in accordance with any such court order.

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than thirty (30) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, or at such other time as the parties hereto may mutually agree (the "Closing"). In no event shall Closing occur later than Two Hundred Forty (240) days after the Effective Date; however, if a third-party files an objection and/or other type of intervention action with the regulators seeking to limit or prohibit the approval of this transaction, and such action results in a delay of the regulatory approval



process, the aforementioned limitation on the date of Closing shall not apply on the condition that the Buyer is pursuing regulatory approval in a reasonable and diligent manner. At the Closing, Seller shall have delivered to Buyer 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 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 and Seller has all the requisite power and authority to sell the Assets pursuant to the terms of this Agreement.

**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 Wake 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. Buyer shall begin the approval process during the Due Diligence Period and thereafter, both Parties shall use all commercially reasonable efforts to obtain 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. In the event the regulatory approvals are not obtained within sixty (60) days of the end of the Due Diligence Period (including any extension periods) then Seller may terminate this Agreement and all deposits shall be returned to Buyer; however, if a third-party files an objection and/or other type of intervention action with the regulators seeking to limit or prohibit the approval of this transaction, and such action results in a delay of the regulatory approval process, the aforementioned right for the Seller to terminate this Agreement shall not apply on the condition that the Buyer is pursuing regulatory approval in a reasonable and diligent manner.

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. Time being of the essence to each term and condition of this Agreement.

D. **Feasibility.**

Buyer shall be entitled to engage in due diligence to determine the feasibility of Buyer's acquisition and development of the Property during the Due Diligence Period, as defined in this Section. The Due Diligence Period shall consist of a primary term and, to the extent Buyer elects to exercise its rights therefor, one (1) extension period of thirty (30) days. The primary term shall commence on the first business day following the Effective Date and shall expire at 11:59 p.m. (EST) on the date one hundred twenty (120) days thereafter. Buyer may (but is not obligated to) exercise its right to extend the term for the extension period by sending to Escrow Agent, on or before the expiration date of the primary term, notice of Buyer's intention to so extend the term, which notice shall include a payment from Buyer to Escrow Agent of Twenty Five Thousand Dollars and No

Cents (\$25,000.00). Said extension deposit shall be non-refundable, unless Seller breaches this Agreement or if this Agreement is terminated due to the inability of the Buyer to obtain regulatory approval in accordance with Section 8.A, at which time the extension deposit shall be refunded and released to the Buyer. The extension deposit shall be applied to the Purchase Price at the Closing.

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. If such termination occurs after the end of the Due Diligence Period for any reason other than those set forth herein in Section 8.A, 8.B, 8C. or 8.E, then all Deposits stated in Section 4 shall be released to the Seller. However, if such termination occurs prior to the end of the Due Diligence Period or due to Section 8.A, 8.B, 8C. or 8.E, the

Deposit(s) shall be fully refunded and released to Buyer. Escrow Agent shall rely on this acknowledgment by Buyer as notice to Escrow Agent to release the Deposit(s).

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 Missouri, 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](mailto: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](mailto:jim@beckemeierlaw.com)

If to Seller:

Lucille Crosby Ginsberg, President  
Crosby Utilities, Inc.  
7536 NC 39 Highway  
Zebulon, NC 27597  
Phone: (919) 516-8038; (919) 404-1668  
Facsimile: \_\_\_\_\_  
Email: [crosbywater@bellsouth.net](mailto:crosbywater@bellsouth.net)

With a Copy to:

Kenneth C. Haywood  
Howard Stallings  
Post Office Box 12347  
Raleigh, NC 27605  
[KHaywood@hsfh.com](mailto:KHaywood@hsfh.com)

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.**

A. If this transaction fails to close as a result of a default by Buyer of any of the terms of this Purchase Agreement, Seller's sole and exclusive remedy for such default shall be the right to cancel and terminate this Purchase Agreement, in which event each party shall be released from all duties or obligations contained herein, and Seller shall be entitled to receive a disbursement of the Deposit and all extension deposits made prior to the date of Closing as liquidated damages, it being understood and agreed that Seller is hereby releasing and/or waiving any right it might have to either specifically enforce this Purchase Agreement or sue for damages. The liquidated damage provision has been agreed to in view of the difficulty in ascertaining Seller's actual damages because of the uncertainties of the real estate market and the fluctuating property values.

B. If Seller breaches any of its covenants, warranties, or representations set forth herein, Buyer may, at its option, elect (i) to terminate this Purchase Agreement, in which event neither party shall have any further rights or obligations hereunder, and the Deposit and all extension fees shall be disbursed to Buyer, (ii) to enforce specific performance of Seller's obligations hereunder, including specifically the conveyance of the Property in the condition required hereby, or (iii) to pursue a claim for damages excluding any damages for special, indirect, consequential or punitive damages.

C. No waiver of any covenant or condition or the breach of any covenant or condition of this Purchase Agreement shall be taken to constitute a waiver of any subsequent breach of any such covenant or condition, or to justify or authorize the non-observance on any other occasion of the same or any other covenant or condition hereof. If a condition to closing is not timely satisfied or waived in writing, and this Purchase Agreement is terminated, the Deposit shall be disbursed immediately to Buyer.

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.

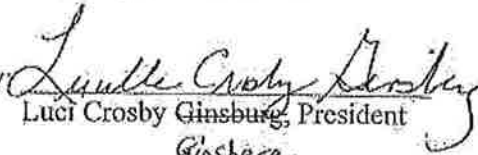
[SIGNATURE PAGE FOLLOWS]



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

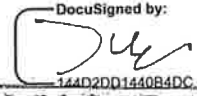
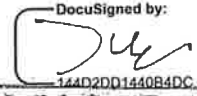
**SELLER:**

CROSBY UTILITIES, INC.

By:   
Luci Crosby Ginsburg, President  
Ginsburg

**BUYER:**

CENTRAL STATES WATER  
RESOURCES, INC.

DocuSigned by:  
  
By:   
144D2DD1440B4DC  
Josiah Cox, President

**EXHIBIT "A"**

Service Area Description

*[Service Area Map(s) & Description(s) to be added prior to Closing]*

- Baywood Forest Subdivision (sewer & water)
- Cottonwood Subdivision (sewer)

OFFICIAL COPY

MAY 27 2021

**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).

OFFICIAL COPY

May 27 2021

**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

**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)