

SETTLEMENT AGREEMENT

This Settlement Agreement, effective June ~~20~~, 2018 (the “Effective Date”) is made by and among Sweet Water Cove, LLC, a Missouri limited liability company, (“Buyer”) and the State of Missouri (the “State”), through the Missouri Attorney General's Office and the Missouri Department of Natural Resources (“Department”). The State and the Buyer (collectively, the “Parties”) agree and state as follows:

1. White Eagle Woods, LLC and Mark Rich (collectively referred to herein as “Defendants”) were the owners and operators of a wastewater treatment facility serving approximately 45 mobile homes near Reeds Spring, Missouri (“Facility”).

2. On July 24, 2014, the Department issued a Notice and Order to Abate Violations and Pay Administrative Penalties 2014-WPCB-1259 (“Order”) to the Defendants.

3. The Order found that Defendant’s operation of the Facility caused pollution of waters of the state in violation of §§ 644.051.1(2) and 644.076.1 RSMo, among other violations of the Missouri Clean Water Law.

4. The Order required that Defendants abate the violations by implementing specific Facility upgrades designed to accomplish those goals.

5. Defendants did not comply with the Order.

6. On December 24, 2015, the State of Missouri, through the Missouri Attorney General’s Office, filed a lawsuit in the Circuit Court of

Stone County, Missouri, Case Number 15SN-CC00217, against Defendants for their failure to comply with the Order (the "Lawsuit").

7. Thereafter, and while the Lawsuit was still pending, Defendants sold the Facility to Buyer.

8. This Settlement Agreement releases Buyer from any and all liability for the violations arising from and subject to the Order and which form the basis of the allegations in the State of Missouri's lawsuit in Case Number 15SN-CC00217.

9. By entering into this Settlement Agreement, the Missouri Attorney General's Office, the State of Missouri, and the Department agree to release Buyer from any and all liability for the violations arising from and subject to the Order and which form the basis of the allegations in the Order, and any portion of any penalties assessed against Defendants arising out of the above-referenced violations of the Missouri Clean Water Law provided that the Buyer comply with the terms herein.

10. Upon execution of this Settlement Agreement, Buyer agrees to the following Schedule of Compliance with the Department:

- a. Within 30 days following the Effective Date, Buyer agrees to transfer ownership of Missouri State Operating Permit No. MO-011181 ("Permit") from the Defendants to Buyer, subject to the cooperation of Defendants to effectuate the transfer. In the event the Defendants do not cooperate with Buyer to transfer the

Permit, Buyer and the Department agree to work cooperatively to issue a new permit for the Facility on substantially similar terms and conditions as the existing Permit.

- b. Within 30 days following the Effective Date, Buyer agrees to pump and haul all sludge from the Facility. The Buyer further agrees to submit a sludge report to the Department documenting the quantity, dates of disposal, and final destination of sludge hauled from the Facility. This sludge report shall be submitted to the Department within 15 days of the date the sludge was hauled and properly disposed.
- c. Within 30 days following the Effective Date, Buyer agrees to clearly mark the outfall in the field, as stated and required in Special Conditions, Part "C", of the Permit.
- d. In the period of time from the Effective Date until the new or upgraded Facility is completed, the Buyer shall operate the existing Facility at all times in compliance with the conditions and requirements of the Permit. All units or components of the existing Facility shall be maintained in an operable condition, even if this requires the purchase and installation of new parts or equipment, or repair of the Facility.
- e. In the event the discharge of wastewater from the Facility does not comply with its permitted effluent limitations, Buyer agrees

to take reasonable steps to identify the cause of the exceedance and take remedial action, as may be necessary, to remedy the cause and prevent future exceedances, including, but not limited to, repairing or replacing defective components of the Facility or pumping and hauling the wastewater from the Facility to a permitted wastewater treatment facility with the capacity to treat the wastewater. . To the extent Buyer causes wastewater to be pumped and hauled, Buyer shall maintain pumping and hauling receipts and submit copies of such receipts to the Department each month. The receipts shall be submitted to the Department by the 10th day of the following month and include the date the wastewater was pumped; number of gallons pumped; and the name of the wastewater hauler and the name of the permitted wastewater treatment facility accepting the wastewater.

- f. Within 120 days of the Effective Date, Buyer shall submit to the Department for review and approval an engineering report prepared by a professional engineer licensed to practice in the state of Missouri evaluating the facility and its ability to comply with the applicable permitted effluent limitations, including Ammonia as Nitrogen. The engineering report shall identify alternatives to upgrade, replace, or eliminate the Facility that

will result in compliance with all permitted effluent limitations contained in the Permit. Although not required at this time, the engineering report may also include alternatives that will result in compliance with final effluent limitations for Ammonia as Nitrogen based on the United States. Environmental Protection Agency's April 2013 Aquatic Life Ambient Water Quality Criteria for Ammonia – Freshwater. If applicable, Buyer shall also submit a complete antidegradation submittal pursuant to the Missouri Antidegradation Rule and Implementation Procedure; and use these evaluations to recommend one of the alternatives that will result in compliance with the Missouri Clean Water Law and its implementing regulations. The engineering report shall be developed in accordance with Missouri Clean Water Regulation 10 CSR 20-8.

- g. Within 30 days of receipt of Department comments on the engineering report, Buyer shall respond in writing to the Department addressing all Department comments on the engineering report to the Department's satisfaction.
- h. If the Department approved alternative is to upgrade or replace the Facility, the Buyer shall submit to the Department for review and approval, a complete application for a construction permit, plans, and specifications sealed by a professional

engineer licensed to practice in the state of Missouri and the applicable permit fee for the improvements recommended in the Department approved engineering report. The plans and specifications shall be developed in accordance with 10 CSR 20-8. Buyer shall submit the application for a construction permit and applicable supporting documents to the Department within 90 days of the date the Department approves the engineering report.

- i. If the existing Facility is to be abandoned, Buyer shall submit a closure plan to the Department for review and approval within 90 days from the date the Department approves the engineering report. If the existing Facility will be incorporated in the new Department approved wastewater treatment system, a closure plan will not be required.
- j. Within 30 days of receipt of Department comments on the construction permit application, plans and specifications, and closure plan, Buyer shall respond in writing to the Department addressing all Department comments on the construction permit application, plans and specifications to the Department's satisfaction.
- k. Within 180 days of the date the Department issues a construction permit for Facility upgrades or replacement, as

applicable, Buyer shall complete construction pursuant to the Department approved plans and specifications and achieve compliance with all applicable permitted effluent limitations.

1. Within 30 days following completion of construction, Buyer shall submit to the Department a Statement of Work Completed Form, signed, sealed, and dated by a professional engineer registered in the state of Missouri certifying that the project was completed in accordance with Department approved plans and specifications and if applicable, a complete application for the modified Permit, including applicable fee.

11. The deadlines specified in the Schedule of Compliance may be extended by agreement of the Parties for reasons outside of Buyer's control, including delays relating to weather, Facility conditions, and contractor availability.

12. The Buyer understands that nothing in this Settlement Agreement precludes or prohibits the Missouri Attorney General's Office or the Department from taking any and all legal action to enforce any laws of the State of Missouri should the Buyer fail to comply with the Schedule of Compliance set forth in this Settlement Agreement. Any failure on the part of the Buyer to meet the deadlines set forth in the Schedule of Compliance may result in the issuance of a Notice of Violation, thus potentially subjecting

Buyer to penalties available under the Missouri Clean Water Law. Issuance of any Notice of Violation is within the sound discretion of the Department.

13. This Settlement Agreement contains the entire agreement between the Parties and supersedes any and all prior agreements, understandings, representations, and statements between the Parties, whether oral or written, and whether by a Party or such Party's legal counsel. The Parties are entering into this Settlement Agreement based solely on the representations and warranties herein and not based on any promises, representations, and/or warranties not found herein. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing.

14. If any term or provision of this Settlement Agreement is determined by any court, regulatory or governmental agency, to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provision or part thereof shall be deemed stricken from this Settlement Agreement, and such provision shall not affect the legality, enforceability or validity of the remainder of this Settlement Agreement.

15. This Settlement Agreement may be modified, amended, changed or rescinded, and any provision may be waived, only by a writing signed by the Parties to be bound thereby. The failure of a Party to exercise any right or remedy provided by this Settlement Agreement or by law shall not be a

waiver of any obligation or right of the Parties, nor shall it constitute a modification of this Settlement Agreement.

16. The terms, conditions and provisions of this Settlement Agreement are binding upon and shall inure to the benefit of all assigns, successors in interest, personal representatives, estates, administrators, heirs, devisees, insurers, and legatees of each of the Parties hereto.

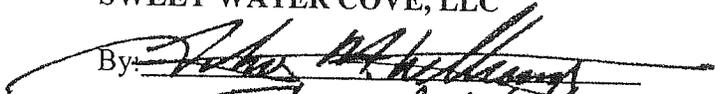
17. This Settlement Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall constitute one and the same Agreement. Facsimile signatures shall have the same force and effect as original signatures.

18. Each Party shall bear its own costs associated with negotiating and enforcing this Settlement Agreement.

19. This Settlement Agreement does not constitute an admission by either of the Parties, and this Settlement Agreement shall not be used as evidence in any administrative or judicial proceeding, except to enforce the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement effective as of the day and year first set forth above.

SWEET WATER COVE, LLC

By: 

Date: June 6, 2018

Name: Tetus N. Williams

Title: Manager

JOSH HAWLEY ATTORNEY GENERAL OF MISSOURI

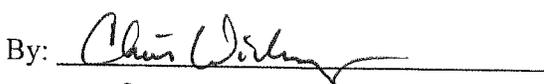
By: 

Date: June 20, 2018

Name: Shawna M. Bligh

Title: Assistant Attorney General, State of Missouri

MISSOURI DEPARTMENT OF NATURAL RESOURCES

By: 

Date: June 15, 2018

Name: Chris Wipberg

Title: Director, Water Protection Program,