

Timeline for Lake Region Water & Sewer Co. and Availability Fees

December 2, 1969: Harold Koplar, the original developer of Four Seasons Lakesites, Inc., executed the original Declaration of Restrictive Covenants for the development that would eventually encompass Lake Region's service area.

March 10, 1971: Harold Koplar, the original developer of Four Seasons Lakesites, Inc., executed the 1st Amended Declaration of Restrictive Covenants for the development that would eventually encompass Lake Region's service area. Articles VII and VIII of the 1st Amended Covenants pertain to the central sewage disposal system and water works and establish a "minimum monthly availability charge for water, water service and the accommodations afforded the owners of said lots by said water works systems" that would commence when water service was available and continue regardless whether the property owner takes water service from the central system to be constructed within the development and establish "a minimum monthly availability charge for sewage disposal and treatment and the accommodations afforded the owners of said lots by said sewage disposal system" that would commence upon the availability for use of a sewage collection main that leads to an operating sewage treatment facility and continue regardless whether the property owner connects to the central sewage to be constructed within the development.

August 10, 1971: Documents filed with the MO Secretary of State to register the business entity Four Seasons Lakesites Water & Sewer Co. The filed Articles of Incorporation for Four Seasons Lakesites Water & Sewer Co. were signed by James L. Zemelman as the Incorporator and

included a statement that the corporation was formed to “carry on the operations and business of a water company and a sewer company” among other responsibilities.

July 1972: Annual Report for Four Seasons Lakesites Water & Sewer Co. filed with the MO Secretary of State shows Harold Koplar, President; Morris Shenker & Robert Koplar as Vice-President, Lillian Shenker as Secretary, Joseph McCabe as Assistant Secretary, Betty Bennett as Treasurer and Robert Koplar as Assistant Treasurer.

December 27, 1973: The Commission’s Report and Order in Case No. 17,954 grants Four Seasons Lakesites Water & Sewer Co. a CCN for water service, acknowledges the use of availability fees and distinguishes the agreement for those charges from the rates and charges proposed for rendering metered and unmetered water service but does not require the tariffing of availability fees.

1989: Annual Report for Four Seasons Lakesites Water & Sewer Co. filed with the MO Secretary of State shows Peter and Susan Brown as Company officers and Board of Directors and no longer shows Harold Koplar. It is believed Peter and Susan Brown, son-in-law and daughter of Harold Koplar, inherited Four Seasons Lakesites Water & Sewer Co.

1992: In Case No. WR-92-59, where Four Seasons Lakesites Water & Sewer Co. sought an increase in rates, the availability fees were removed from the general revenue stream and the rate base was reduced as an offset for the reduction in general revenue related to the availability fees.

This case was settled with a unanimous agreement from the parties that the Commission approved.

1992-1993: In Case No. WM-93-59, the Commission approved Four Seasons Lakesites Water & Sewer Co.'s application to sell its water system on Horseshoe Bend to Ozark Shores Water Co. Ozark Shores Water Co. was granted authority to acquire the water system assets and issued a CCN to provide water service in the Horseshoe Bend service area. Ozark Shores is wholly owned by North Suburban Public Utilities, Inc. which is owned 51.76% by RPS Properties and 48.24% by Sally Stump. Sewer system assets and the CCN to provide sewer service remained with Four Seasons Lakesites Water & Sewer Co.

1994-1995: In Case No. WA-95-164, the Commission granted Four Seasons Lakesites Water & Sewer Co. a CCN to extend its sewer operation to areas in Shawnee Bend and Horseshoe Bend and adjust water tariff depreciation schedules. Four Seasons Lakesites Water & Sewer Co. already had a CCN to provide sewer service in part of Horseshoe Bend.

July 2, 1996: Peter N. Brown, successive developer for Four Seasons Lakesites, Inc., executed the 3rd Amended and Restated Declaration of Restrictive Covenants. Article IX(A) of the 3rd Amended Covenants duplicates the provisions from prior declarations relating to the water system, but the water system only. This duplication includes the provisions concerning availability fees. This article includes the provision that owners of the water works system will be a privately owned utility authorized by a CCN issued by the MoPSC and all availability charges, and times and methods of payment thereof, shall be provided in schedules or rates and

rules to be approved by the MoPSC, or if not so provided, as determined by the Owner of the water works system. The 3rd Amended Covenants do not mention or require any availability fees for sewer service to be paid to the developer or to Four Seasons Lakesites Water & Sewer Company.

July 1997: An Amendment of the Articles of Incorporation filed with the MO Secretary of State was made by Peter N. Brown, President and Susan K. Brown, Secretary, changing the name of Four Seasons Lakesites Water & Sewer Co. to Four Seasons Water & Sewer Co. and setting the number to Directors to constitute the Board of Directors to 2.

July 1998: The annual report for Four Seasons Water & Sewer Co. filed with the MO Secretary of State continues to show Peter and Susan Brown as officers and Board of Directors

August 17, 1998: Peter N. Brown, successive developer for Four Seasons Lakesites, Inc., assigned the availability fees to Roy and Cindy Slates.

September 18, 1998: The registered agent for Four Seasons Water & Sewer Co. was changed with the MO Secretary of State to Roy Slates.

September 23, 1998: A statement of correction filed with the MO Secretary of State states all Four Seasons Water & Sewer Co. officers and directors were changed on August 17, 1998 to Roy Slates and Cindy Slates. It is believed this was related to a sale of Four Seasons Water & Sewer Co. stock.

1998-1999: In Case No. WR-98-564, Four Seasons Water & Sewer Co. filed a rate case pertaining to the sewer service on Horseshoe Bend.

March 1999: An Amendment of the Articles of Incorporation was filed with the MO Secretary of State by Roy Slates, President and Cindy Slates, Secretary, changing the name of Four Seasons Water & Sewer Co. to Lake Region Water & Sewer Co. Additionally, the registered agent with the MO Secretary of State was changed to David A. Shorr.

March 1999: Roy Slates filed a fictitious name registration with the MO Secretary of State called Lake Utility Development. It is believed the purpose of this fictitious name was to collect availability charges and keep funds separate from Lake Region Water & Sewer Co.

October 1999: A letter filed with the MO Secretary of State advises an election of officers for Lake Region Water & Sewer Co.: Roy Slates, Chief Executive Officer; Cindy Slates, Chief Operations Officer; and Eugene (Fitz) Ritter, President and Secretary.

1999-2000: In Case No. WR-99-193, Ozark Shores Water Co. sought an increase in rates, the parties agreed to add availability fees into the general revenue stream of the company and add additional rate base to the company as an offset. The availability fees were included in utility rates and were not tariffed. This case was settled with a unanimous agreement from the parties that the Commission approved.

March 2000: Mr. Ritter filed with the MO Secretary of State to register the business entity Lake Utility Development, LLC. It is believed that, similar to the March 1999 fictitious registration, this LLC was also created for the purpose of collecting availability charges and to keep the funds separate from Lake Region Water & Sewer Co.

April 12, 2000: Roy and Cindy Slates assigned the availability fees to Lake Region Water & Sewer Co. It is believed that Roy Slates and Cindy Slates also sold their interest in Lake Region Water & Sewer Co. to Waldo Morris at this time.

April 12, 2000: Lake Region Water & Sewer Co. assigned availability fees to Waldo Morris.

April 2002: The annual report for Lake Region Water & Sewer Co. filed with the MO Secretary of State shows Waldo Morris and Fritz Ritter as Company officers. No Board of Directors is listed. The annual report filed with the Commission for calendar year 2001 shows Waldo Morris as the only voting shareholder.

February 2003: The registered agent for Lake Region Water & Sewer Co. was changed from David A. Shorr to Fritz Ritter.

April 2003: The annual report for Lake Region Water & Sewer Co. filed with the MO Secretary of State continues to show Waldo Morris and Fritz Ritter as officers. Fritz Ritter is the only name listed as the Board of Directors.

October 8, 2003: A lawsuit was initiated by Four Seasons Lakesites, Inc., contesting the ownership of the property rights for the availability fees; Civil Case No. CV103-760CC. The defendants in that lawsuit included Lake Region Water & Sewer Co., Waldo Morris and Roy and Cindy Slates, the former owners of Lake Region Water & Sewer Co.

October 13, 2004: Waldo I. Morris and Robert P. Schwermann and Sally J. Stump executed a “Contract Regarding Availability Fees”. Part of the Fee Contract included consummating and closing a Stock Purchase Agreement (dated September 10, 2004) in which Robert P. Schwermann and Sally J. Stump purchased all of the stock in Lake Region Water & Sewer Co. for \$3 million dollars. The Fee Contract was accompanied by a separate “Assignment of Availability Fees” agreement specifying that for the amount of \$1.00, and “other good and valuable consideration,” Mr. Morris assigned the availability fees to Robert P. Schwermann and Sally J. Stump. It is believed Mr. Schwermann transferred his interests in Lake Region Water & Sewer Co. and the availability fees to RPS Properties at that time.

November 2004: The registered agent for Lake Region Water & Sewer Co. was changed from Fritz Ritter to D & A Agency Services, Inc. The Secretary of State form was signed by Robert P. Schwermann for “RPS Properties, L.P., by Schwermann Properties, LTD”. (RPS Properties, L.P., is a partnership owned by Schwermann Properties, LTD.)

April 2005: The annual report for Lake Region Water & Sewer Co. filed with the MO Secretary of State (and subsequent annual reports to present) show variations of Robert Schwermann, Brian Schwermann, Sally Stump and Vernon Stump as Company officers and Board of

Directors. The voting shareholders of Lake Region Water & Sewer Co. in the 2004 Commission annual report and subsequent Commission annual reports to present are Sally Stump and RPS Properties.

April 15, 2005: A confidential settlement was reached in Civil Case No. CV103-760CC regarding who owned the property rights to the availability fees. This settlement included the assignment of availability fees from Waldo Morris to RPS Properties, L.P. and Sally J. Stump. RPS Properties, L.P. and Sally Stump began collecting availability fees in 2005, but they retain only a portion of the availability fees pursuant to the settlement agreement.

August 2005: Sally Stump and RPS Properties, L.P. filed a fictitious name registration called Lake Utility Availability 1 with the MO Secretary of State. It is believed this registration was for the purpose of collecting availability charges and to keep funds separate from Lake Region Water & Sewer Co.

July 23, 2009: An amendment to the Declaration by Peter N. Brown, successive developer for Four Seasons Lakesites, Inc., removes and replaces the entire Article IX from the 3rd Covenants, and provides that Shawnee Bend Lot Owners must “pay the owner of the central water system, or its assigns or designees, a monthly availability charge of Ten Dollars (\$10.00), unless the Owner of the Lot is contractually obligated to Developer, or Developer’s assign to pay a different amount;”and Shawnee Bend Lot Owners must “pay the owner of the central sewer system, or its assigns or designees, a monthly availability charge of Fifteen Dollars (\$15.00), unless the Owner of the Lot is contractually obligated to Developer, or Developer’s assign to pay

a different amount.” Horseshoe Bend Lot Owners must pay the owner of the water works system a minimum monthly availability charge (amount not specified).

October 1, 2009: the 4th Amended and Restated Declaration of Restrictive Covenants was executed by Peter N. Brown, successive developer for Four Seasons Lakesites, Inc. Article 9 of the 4th Amended Covenants states that all provisions relating to the water and sewer systems and treatment are set forth in the Amendment to the 3rd Amended Covenants dated July 22, 2009 (executed July 23, 2009). Section 19.3 of the 4th Amended Covenants allows the property owners to seek amendment of the Declaration subject to certain conditions. Those conditions include:

- a.) The Declaration is binding until January 15, 2015, after which it is automatically renewed unless the owners of 90% of the lots vote to terminate the Declaration.
- b.) The Declaration may be amended at any time by the Developer at the request or with the consent of the Board until such time as all lots are sold, at which such time the Declaration may be amended by the affirmative vote of two-thirds of the owners of all of the lots entitled to vote. (All of the lots developed by Four Seasons Lakesites, Inc. on Shawnee Bend have been sold.)
- c.) In the case of amendment by two-thirds of the property owners the amendment shall be executed by the requisite lot owners or the POA.

September 2010: Sally Stump and RPS Properties, L.P. filed another fictitious name registration for Lake Utility Availability 1 with the MO Secretary of State. It is believed this registration is

for the purpose of collecting availability charges and to keep funds separate from Lake Region Water & Sewer Co.

2012: Sally Stump transferred her stock of Lake Region Water & Sewer Co. to Vernon Stump.

Ownership

- 1969: Harold Koplar – original developer of Four Seasons Lakesites, Inc. & creator of Four Seasons Lakesites Water & Sewer Co.
- 1989: Peter & Susan Brown – successors of Koplar (successive developer of Four Seasons Lakesites, Inc., successive owner of Four Seasons Lakesites, Inc. availability fees & successive stockholder of Four Seasons Lakesites Water & Sewer Co.)
- 1998: Roy & Cindy Slates – Four Seasons Water & Sewer Co. stock purchase from Browns & partial assignment of Four Seasons Lakesites, Inc. availability fees from Browns (partial availability assignee of Four Seasons Lakesites, Inc.)
- 2000: Lake Region Water & Sewer Co. – partial assignment of Four Seasons Lakesites availability fees from Slates (partial availability assignee of Four Seasons Lakesites, Inc.)
- 2000: Waldo Morris – Lake Region Water & Sewer Co. stock purchase from Slates & partial assignment of Four Seasons Lakesites availability fees from Lake Region Water & Sewer Co. (partial availability assignee of Four Seasons Lakesites, Inc.)
- 2004: Robert Schwermann – stock purchase of Lake Region Water & Sewer Co. from Morris & full co-assignment of Four Seasons Lakesites availability fees from Morris & Brown (total availability co-assignee of Four Seasons Lakesites, Inc.)
- 2004: RPS Properties, L.P. – stock transfer of Lake Region Water & Sewer Co. from Schwermann & transfer of full co-assignment of Four Seasons Lakesites availability from Schwermann (total availability co-assignee of Four Seasons Lakesites, Inc.)
- 2004: Sally Stump – stock purchase of Lake Region Water & Sewer Co. from Morris & full co-assignment of Four Seasons Lakesites availability fees from Morris & Brown (total availability co-assignee of Four Seasons Lakesites, Inc.)

- 2012: Vernon Stump – stock transfer of Lake Region Water & Sewer Co. from Sally Stump & transfer of co-assignment of Four Seasons Lakesites availability fees from Sally Stump (total availability co-assignee of Four Seasons Lakesites, Inc.)