

AGREEMENT

THIS AGREEMENT ("Agreement") made and entered as of the 20th day of March, 2007, by and between the City of Willard, a Missouri municipal corporation located in the Country of Greene, Missouri (hereinafter called the "City") and The Meadows Water Company, a Missouri corporation (hereinafter called "MWC").

WITNESSETH:

WHEREAS, MWC is a public utility regulated by the Missouri Public Service Commission which presently owns and operates a water and sewerage distribution system adjoining the city limits of Willard, Missouri.

WHEREAS, under the terms and conditions of this Agreement, MWC is desirous and willing to sell to the City and the City is desirous and willing to purchase the assets comprising MWC's existing water and sewerage systems, and the City thereupon is desirous and willing to provide to the present customers of MWC the respective water and/or sewer services the customers presently receive.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt of which hereby is acknowledged, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are accurate and are incorporated as part of this Agreement.
2. Agreement to Purchase and Sell. The City agrees to purchase and acquire and MWC agrees to sell and convey, under these terms and conditions, assets constituting MWC's existing water and sewer system and other property of MWC as described in Paragraph 3.
3. Description of MWC Water Assets to be Sold. The MWC water assets to be acquired by the City and conveyed by MWC shall consist of the following MWC assets, together with all additions and improvements thereto made prior to the Closing Date:
 - a. the real estate described on the attached **Exhibit "A"**;
 - b. all easements and rights for water mains, wells pump houses, storage facilities and similar water production, storage or transmission facilities contained in public declarations or created in recorded deeds and agreements;
 - c. the water mains, the valves, the hydrants of the System and the water meters installed in each residence;
 - d. all sewer mains, interceptors, valves, valve boxes service connections from mains to the property line, manholes, manhole covers, lift stations and any and all related equipment and appurtenances which constitutes the Company's present waste water, collection, treatment and disposal system;

- e. all pumps and storage tanks;
- f. customer accounts receivable and unbilled customer revenues existing as of the date of closing;
- g. books and records which pertain to the maintenance and operation of the System, including without limitation, surveys, maps, maintenance records and manuals, records of customer accounts receivable and reports maintained and or filed as required by law;
- h. vehicles , tools and equipment; and
- i. other assets and property of any nature owned by the Company.

The parties agree that the assets to be purchased by the City under this Agreement do not include cash on hand or bank deposits.

4. Closing Date, Time and Place of Closing. Subject to the provisions of this Agreement , the purchase and sale herein provided shall be consummated and closed upon written notice by the City to MWC that the City has obtained the necessary funds for payment of the amount due on "Closing" or on such other date upon which the parties shall mutually agree in writing. The proposed "Closing Date" shall be at 10 a.m. on September 1, 2007, at the City Hall, or at such other time or place as the City and MWC agree upon in writing. The time and date designed for consummating and closing the sale is herein called the "Closing Date".

5. Purchase Price. The "Purchase Price" to be paid by the City to MWC for the assets subject of this Agreement shall be the sum of \$1,200,000.00, plus the sum of one hundred percent (100%) of the uncollected balance of all accounts receivable that are less than 90 days old from billings for water service rendered to customers of MWC, plus one hundred percent (100%) of the unbilled charges for water service to such customers as of the Closing Date, determined in the manner provided for below , plus or minus proration's. The Purchase Price shall be paid in cash at closing.

6. Billed and Unbilled Accounts. The portion of the Purchase Price attributable to uncollected accounts receivable and unbilled accounts to be paid by the City to MWC hereof shall be determined as follows:

a. The uncollected balance that is 90 days old or less, as of the Closing Date, of all accounts receivable from billings for water service rendered to customers of MWC's water system;

b. The amount of the estimated unbilled charges for water service to the customers of MWC's water system as of the Closing Date. Such amount shall be determined as follows: MWC shall read all meters as close and prior to the Closing Date as practicable. From such readings, MWC shall determine the current billings for water service to the dates of the meter reading. To the total of such billings shall be added an amount determined by dividing the total of such billings by the number of days in such billing period to and including the date of each meter reading and by multiplying the

quotient by the number of days between the meter reading dates and the Closing Date;

c. MWC shall not actually bill its customers for the current billing described herein. Instead, such billings, plus all unbilled charges for water service as of the Closing Date, shall be assigned to the City on the Closing Date and shall be billed by the City to customers. In addition, all accounts receivable as of the Closing Date from billings to customers of MWC's water system shall be assigned to the City on the Closing Date. MWC shall remit promptly to the City any payments erroneously sent to MWC by customers of MWC's water system after the Closing Date.

d. The City shall pay the sum of the total billing resulting from the meter readings and the amount estimated above for unbilled service between the meter reading dates and the Closing Date;

e. The City's payment for accounts receivable and unbilled charges shall be subject to a true up no later than three (3) months after the Closing. The true up shall reconcile these amounts paid by the City with collections on the accounts and of the unbilled charges and with recalculation of estimated bills using actual meter readings. In the event that such true up shows that the City paid more for accounts receivable or unbilled charges than were collected or, upon recalculation, were inaccurate, then MWC shall reimburse the City within thirty (30) days of the true up. If the City paid less for these items than they collected, the City shall reimburse MWC the difference within thirty (30) days of the true up.

7. Risk of Loss. The parties acknowledge and agree that the City, prior to the Closing Date provided hereunder, assumes no risk of loss whatever with respect to all or any part of the property to be acquired by the City. MWC shall maintain all existing insurance coverage on the property until Closing. In the event that, prior to the Closing Date, any component or components of MWC's water system to be acquired by the City is damaged to an extent of and more than ten percent (10%) of its value prior to said damage, as certified by the City's engineer, the City agrees to extend the Closing Date for a period of time equal to that taken by MWC to repair or replace that part of MWC's water system to be acquired by the City damaged or destroyed, provided that said extension will not exceed, without the written consent of the City, one hundred twenty (120) days after the Closing Date otherwise provided hereunder. If the damage to any such component or components exceeds ten percent (10%) of its value prior to such damage, as certified by MWC's engineer and reviewed and certified by the City's engineer, the City shall have the right to accept the facilities to be acquired by the City in its damaged condition and MWC shall assign to the City all proceeds of any insurance covering such damage; or the City shall have the right to terminate this Agreement. If the transaction, upon expiration of the extended Closing Date, if subject to extension hereunder, is not consummated as otherwise provided under the term of this Agreement, this Agreement shall become null and void; and thereupon all undertakings, obligations and liabilities of the parties hereto shall forthwith terminate and be released and discharged.

8. Taxes: Taxes and assessments due and payable for the calendar year 2006 and all prior years, and the pro-rata share of the 2007 taxes and assessments as of the Closing Date (based on 2006 taxes and assessments), shall be the responsibility of MWC, and all taxes and assessments that may be levied, imposed or become due and payable after said time shall be assumed and paid by the City.

9. Customer Deposits. The liability for all customer deposits, received by MWC prior to the Closing Date from customers of MWC's water system to secure the payment of bills for water service shall be assumed by City and City shall receive a credit at closing for the amount of deposits assumed.

10. Representations, Warranties, and Agreements by MWC. MWC represents, warrants and agrees to and with the City as follows:

a. That it is, and on the Closing Date will be, a corporation duly organized and existing and in good standing under the laws of the State of Missouri;

b. That it has taken, or will take by the Closing Date, all necessary corporate and legal action to authorize the execution, delivery and performance on its part of this Agreement, and the performance hereof by it will not be in contravention of its articles of incorporation, bylaws, or any contract or agreement to which it is a party or subject;

c. That it will operate and maintain its water system until the Closing Date, and that it will not dispose of any part of its water system prior to the Closing Date, except such part or parts as may be retired from service and replaced in the ordinary course of business prior to the Closing Date;

d. That from the date of this Agreement to the Closing Date, there will not be any material adverse change in the operation of the water system and MWC has not and will not enter into any transactions involving the water system except transactions entered into in the ordinary course of business;

e. That, it has, or will have in the case of any additions to the water system between the date hereof and the Closing Date, good and marketable title to the assets to be sold, and it will have such title on the Closing Date; such title on the Closing Date will be unencumbered or proper provision will have been made for payment and release of any existing encumbrances;

f. That there is not now any litigation, suit or regulatory agency proceeding pending, or to its knowledge threatened, which might adversely affect its title to, right to, possession of, or right to use the water system, or which might interfere with the sale and purchase contemplated hereby; and it will promptly notify the City in writing if any litigation, suit or regulatory agency proceeding shall be instituted or threatened prior to the Closing Date;

g. That it has rights-of-way and/or easements sufficient to authorize installation and maintenance, of MWC's existing water system over private lands and public highways and way;

h. That MWC shall permit the City's counsel, engineers or other representatives reasonable access during normal business hours, throughout the period prior to the Closing Date, to all rights-of-way and/or easements to be conveyed to the City, and to all engineering plans and records, surveys, plats, grants of easements, contracts; agreements; and all other documents relating in any way to said rights-of-way and/or easements. If, before Closing, the City is not reasonably satisfied in any respect that MWC has sufficient rights-of-way or easements to authorize installation and maintenance of MWC's existing system over public highways and private lands, the City shall have the right to terminate this Agreement, in its sole discretion; which right shall be in addition to any other right the City has under this Agreement. If the city closes the transaction, it 'waives any claim that MWC has insufficient rights-of-way or easements to authorize installation and maintenance of MWC's existing system over public highways and private lands;

i. That it has no contracts or agreements concerning water service that would hinder or prevent performance of this Agreement, or impair or prevent rates and charges established or to be established by the City;

j. MWC represents that the assets to be conveyed to the City are in good operating condition and will be in good operating condition as of the Closing Date; it is expressly understood that MWC makes no representation or warranty with respect to the physical condition of the existing water facilities to be conveyed to the City other than that stated herein; and that, subject to the terms hereof, the water assets to be conveyed to the Company are sold and transferred "AS IS". MWC hereby assigns to the City all vendor, supplier, manufacturer and contractor warranties, bonds and insurance policies respecting the new water distribution system. The city shall notify MWC within 30 days after closing of any claims it has concerning the "good operating condition" of the system. If there are no claims in 30 days, the City will be deemed to have waived any claims for breach of warranty of "good operating condition;

k. Respecting the water system, that MWC has no outstanding main extension agreements or other agreements with customers, land developers or land owners under which MWC has obligations to install any water mains and associated facilities or to pay refunds or moneys to such customers or developers;

l. That there is no claim, litigation, suit or regulatory agency inquiry or proceeding pending, or to its knowledge threatened, pertaining to the size, design, capacity or condition of the water system; or the quality of water or service; or environmental impact or effect of the construction, ownership or operation of the water system including the real estate associated therewith;

m. That MWC has obtained all necessary permits, licenses and other approvals for the ownership and operation of the water system. Further, that MWC is in

full compliance with all such permits, licenses and other approvals and in full compliance with all laws and regulations applicable to the ownership and operation of the water system.

n. That MWC shall permit the City's counsel, accountants, and other representatives reasonable access, at the convenience of MWC, during normal business hours throughout the period prior to the Closing Date to all properties to be conveyed to the City to contracts with customers and developers as they may relate to load and demand requirements, and to any refund obligations respecting the water system; construction, maintenance and operation contracts; engineering plans and records; operating records; customers' records as they may relate to load and demand requirements; and accounting, billing, financial and original cost books and records; and during such period shall furnish the City with such information concerning MWC's affairs as the City shall from time to time reasonably request;

o. If, before Closing, the City is not reasonably satisfied in any respect that the assets to be sold are not as represented, the City shall have the right to terminate this Agreement, in its sole discretion; which right shall be in addition to any other right the City has under this Agreement;

p. That the real estate sold hereby, and the improvements thereon, are properly zoned and permitted, and meet all applicable set back and other land use requirements; that there are no notices of zoning or use violations issued respecting the real estate; that MWC, its officers, directors, employees, agents and representatives are aware of no zoning or use violations; and that there is good and sufficient access by means of right-of-way, easement or public way.

11. Environmental Representations. MWC represents, warrants and agrees to and with the City as follows:

a. During MWC's ownership of the real estate sold hereby, no Hazardous Materials (as defined below) have been located by MWC in or on the Site or have been released by MWC into the environment, or discharged, placed or disposed of by MWC at, on, or under the Site; and to the best of MWC's knowledge, no Hazardous Materials have been so located, released or discharged, placed or disposed of by any party;

b. The City may if it so desires order an environmental report to be conducted by an environmental engineering firm selected by the City (the "Environmental Study"). The City shall coordinate with the environmental engineering firm regarding the scope of the environmental study. The City will pay all costs of the environmental study. If, before Closing, the City is not reasonably satisfied in any respect with such data and information contained in the Environmental Study or receives notification from any reasonably reliable source that Hazardous Materials or underground storage tanks exist in, under or on the facilities, then the City shall have the right to decline to accept the Site, in its sole discretion, which right shall be in addition to any other right the City has under this Agreement. In the event the City declines to accept any

Sites until remediation occurs the cost of said cleanup shall be paid by MWC. If MWC is unable to remediate any site as required by the City, the City shall have the right to terminate this contract.

12. Conditions to the City's Obligations. The obligations of the City to close under this Agreement are subject to the satisfaction of the following conditions precedent:

a. All representations and warranties of MWC expressly stated on the face of this Agreement shall be true and correct as of the date of this Agreement, and shall be true and correct on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on the Closing Date;

b. MWC shall have fully complied with all covenants and agreements on its part to be performed as provided under the terms and provisions of this Agreement;

c. The City shall have received all documents and instruments required under this Agreement,

d. No representation or warranty expressly stated on the face of this Agreement by MWC, nor any statement or certificate furnished or to be furnished by MWC pursuant hereto or in connection with the transaction contemplated herein, shall contain any untrue statement of a material fact;

e. The City shall have issued and sold its bonds in sufficient amount to fund payment of the Purchase Price;

13. Documents to be Delivered by MWC on the Closing Date. MWC shall prepare, or cause to be prepared, for delivery to the City on the Closing Date, the following documents:

a. Good and sufficient deeds, bills of sale, assignments and other instrument of conveyance and transfer, in form acceptable to counsel for the City, with sufficient revenue stamps either affixed thereto or attached thereto for subsequent affixing, as shall be necessary to convey to and vest in the City good title to all of the properties subject of this Agreement, free and clear of any and all liens and other encumbrances, except for covenants, conditions and restrictions of record, easements of record, public roads and highways, and other matters acceptable to the City;

b. A Certificate of Insurance from a Title Company authorized to do business in the State of Missouri and acceptable to the City, insuring the title to the real estate in an aggregate amount of \$ N/A subject only to the matters to which this agreement is subject by the terms hereof, and to such other matters as shall be acceptable to the City. The cost of such Title Insurance shall be paid by MWC.

c. Copies of all grants of easements to be conveyed to the City in MWC's possession together with surveys or plats adequate to show the location and legal description of all such easements;

d. A chattel mortgage, security interest, judgment and Federal lien search covering a date not later than fifteen (15) days prior to the Closing Date showing no chattel mortgages, security interest, judgment or Federal liens outstanding against MWC;

e. A certificate of good standing of MWC issued by the Missouri Secretary of State dated within ten (10) days of the Closing Date;

f. A statement of accounts receivable updated as of the Closing Date;

g. The statement of customer unbilled revenue updated as of the Closing Date; and

h. A statement of inventory updated as of the Closing Date.

14. Representations by the City. The City makes the following representations and warranties which are true and correct on the date of this Agreement and will be true on the Closing Date:

a. The City is, and on the Closing Date will be, a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Missouri. It has the corporate power and authority to enter into this Agreement and to consummate the transactions contemplated herein;

b. The execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly authorized and approved by its City Council, and, no further action by the City is necessary for the validity and enforceability of this Agreement;

c. There is not now any litigation, suit or regulatory agency proceeding pending, or to the City's knowledge threatened, which might interfere with the sale and purchase contemplated hereby; and it will promptly notify MWC in writing if any such litigation, suit or regulatory agency proceeding shall be instituted or threatened prior to the Closing Date.

15. Additional Acts and Documents. If at any time after the Closing Date it shall appear that additional acts or bills of sale, deeds, assignments or other papers are reasonably necessary to complete or perfect the transfer of any part of the property to be conveyed to the City, MWC agrees to take such action and to execute such additional bills of sale, deeds, easements, assignments or other papers upon the written request of the City.

16. No Broker Involved. The parties hereto acknowledge that no finder or broker is involved in this transaction.

17. Closing Costs. Each party shall pay its respective legal fees and expenses, closing costs and title charges incurred in connection with the preparation, execution and performance of the Agreement and the Closing. MWC shall be responsible for costs of Title Insurance.

18. Utility Bills. MWC shall cause any and all electric and gas meters respecting the water assets to be sold to be read as of the Closing Date. MWC shall be responsible for payment of all billings for electricity or gas service to the water assets to be sold rendered up to the Closing Date.

19. Inventory. MWC agrees to maintain, at its cost, its inventory of meters, remote readers, valves, hydrants, pipe, manhole covers, construction materials and all other inventory items in accordance with its usual practice.

20. Notices. All notices in connection with this Agreement shall be given when sent overnight delivery to:

Kenneth Reynolds, Esq.
1240 East Independence, St. 200
Springfield, MO 65804
Telephone no. (417) 864-4700

Robert P. Schwermann
10777 Barkley, Suite 210
Overland Park, KS 66211
Telephone no. (913) 385-1555

21. Assignments and Applicable Law. This Agreement shall inure to the benefit of and be binding upon the successors, transferees and assigns of the City and upon the successors, transferees and assigns of MWC. This Agreement shall be deemed to be a Missouri contract and any matter concerning the Agreement shall be determined by Missouri law.

22. Failure to Enforce. The failure of any party hereto to enforce any of the provisions of this Agreement, or the waiver thereof in any instance, shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall, nevertheless, be and remain in full force and effect.

23. Non Agency. It is agreed that the City is not an agent of MWC and shall not incur any costs or expenses on behalf of MWC, and MWC is not an agent of the City and shall not incur any costs or expenses on behalf of the City.

24. Default. If, before or at the Closing, either party in default with respect to, breaches or fails to perform one or more of the representations, covenants warranties or other terms of this Agreement, and such default, breach or failure is not cured or corrected within fifteen (15) business days after receipt of written notice thereof given by the other party, the other party shall be entitled to (i) terminate the Agreement, or (ii) sue for specific performance,.

25. Complete Agreement. This Agreement sets forth the complete understanding between the City and MWC, and any amendment hereto to be effective must be in writing.

26. Contingency. This Agreement is contingent upon receipt of approval of the sale being approved by the Missouri Public Service Commissioner.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their respective officers thereunto duly authorized officers having custody thereof the day and year first above written.

“City”

ATTEST:

CITY OF WILLARD, MISSOURI

Kath. Blakemore
Title: City Clerk

By: Thomas J. Keltner
Title: Mayor

“MWC”

THE MEADOWS WATER COMPANY

By: Robert L. Schuerman
Title: _____



Exhibit A

Real Estate

“None”