

Law Office of William G. Todd

P.O. Box 2219
722 W. Center Circle
Nixa, MO 65714
(417) 725-6492 FAX: (417) 725-8499

Member: American Bar Association, Missouri Bar Association
American Institute of Certified Public Accountants

March 24, 2000

PUBLIC SERVICE COMMISSION
PO BOX 360
JEFFERSON CITY, MO 65102

FILED²

MAR 29 2000

Missouri Public
Service Commission

SM-2000-608

RE: Proposed Transfer of Assets from Ozark Water and Wastewater Management Co., Inc.
to Northern Christian County Regional Wastewater Facility, Inc.

Dear Sir/Madam Clerk:

Enclosed is an original and 14 copies of an application for sale or transfer of assets between the above parties for filing.

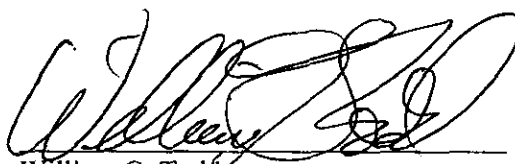
Also enclosed is one additional copy of the application (without attachments) to be stamped filed and returned to me at the above address.

A complete copy of the foregoing has been sent to the Office of Public Counsel.

Thank you for your prompt attention to this matter.

Sincerely,

LAW OFFICE OF WILLIAM G. TODD



William G. Todd

Enclosures
cc: Office of Public Counsel

FILED²

MAR 29 2000

Missouri Public
Service Commission

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the application of:)
Ozark Water and Wastewater Management)
Co., Inc. to Sell and Transfer its franchise,)
treatment plant and substantially all its assets)
to Northern Christian County Regional)
Wastewater Facility, Inc. (a non-profit sewer)
corporation under 393.825 RSMo))

Case No. SM-2000-608

APPLICATION

COMES NOW, Ozark Water and Wastewater Management Co., Inc., (hereinafter "OWWM", and pursuant to Section 393.190 RSMo., and states as follows;

1. The legal name of the applicant is Ozark Water and Wastewater Management Co., Inc. (hereinafter "OWWM"). OWWM is a duly organized Missouri Corporation with its principal office and principal place of business at 307 S. West Street, Suite 800, Nixa, Missouri, 65714.

2. OWWM operates a collection system and sewage treatment plant in the unincorporated portion of Christian County, Missouri, approximately 2 miles north of the city limits of Nixa, Missouri which is commonly known as the English Village Sewer System (the "System"). Said utility operates under a certificate of convenience and necessity from the Missouri Public Service Commission issued at the time the system was acquired from English Village Sewer Service, Inc., as approved by the Commission in Case No. SM-91-316, and therefore OWWM is subject to the jurisdiction, supervision and control of the commission over the collection and treatment of sanitary sewer waste in its service area.

3. Northern Christian County Regional Wastewater Facility, Inc. (hereinafter "Buyer") is a non-profit sewer corporation formed pursuant to the provisions of Section 393.825 et. seq. RSMo. and its charter was obtained on the 18th day of February, 2000. The Buyer was formed for the purpose of acquiring the System from OWWM and obtaining a loan for the

construction of a new treatment plant and other necessary repairs and upgrades to the system, to be operated under the guidance of a locally elected board of directors. Buyer will not be subject to the jurisdiction of the commission after it acquires the system but joins in this application because the transfer of assets must be approved by the commission under Section 393.190 RSMo.

4. The following are the persons to whom correspondence, communications, orders and decisions should be addressed, sent or contacted:

Keith Roberts, President NCCRWF, Inc. 1424 N. Woodview Dr. Nixa, MO 65714	Phone: (417) 725-3995
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Jed Forrester, President OWWM 307 S. West St. Nixa, MO 65714	Phone: (417) 725-7800
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William G. Todd, Attorney PO Box 2219 722 W. Center Circle Nixa, MO 65714	Phone: (417) 725-6492 Fax: (417) 725-8499
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5. This application and request for approval of transfer is being submitted to the commission pursuant to the provisions of Section 393.190 RSMo. OWWM proposes to sell and Buyer proposes to buy, all of OWWM's franchise, sewage treatment plant, system and works necessary and useful to provide wastewater collection and treatment to its customers in OWWM's certificated area. The area served by the system is described in Exhibit 1 attached hereto.

6. The applicant requests the Commission to give the following relief:

(a) To accept this application for consideration by the Commission even though OWWM owes unpaid assessments from prior periods and to include, as a part of its order of approval, a condition that the order approving the sale and transfer would be contingent upon payment in full of past assessments due and providing a specific time frame for same to be paid; and

(b) To approve the sale and transfer of substantially all of the assets of OWWM (transfer of the entire System) to Buyer upon the terms and conditions set forth in the contract which is attached hereto and as more particularly described below, subject to the conditions set forth in (a) above and to authorize OWWM to transfer all of the operations of the System to Buyer within 30 days of the effective date of the Commission's Order and authorize OWWM to thereafter wind up its affairs and dissolve its corporation at such time as the Directors of OWWM deem appropriate.

7. The transaction calls for a sale of the System to Buyer with 100% financing by OWWM. The sale price is \$400,000, which approximately equates with the actual investment that OWWM has made in the System. The assets to be sold include a treatment plant which is located upon leased land, approximately 3 miles of mains and pipes, 52 manholes and related equipment and supplies (including intangibles and office equipment). The Buyer will also acquire rights to own and use the plans and specifications for a new treatment plant which have already been prepared and paid for by OWWM. The Buyer is not subject to the jurisdiction of the Commission and will not need a certificate of convenience and necessity in order to operate. The Missouri Department of Natural Resources has revoked/suspended the discharge permit that it had previously granted to OWWM due to problems with its treatment plant. OWWM has been operating under the terms of a consent decree entered into with MDNR in December, 1998. The Buyer has contacted MDNR and the terms of a new agreement authorizing the assumption of certain obligations under the MDNR consent decree and continued operation of the plant will be negotiated and submitted to the commission separately by MDNR. It is believed that Buyer will be able to satisfy all requirements of the decree as revised.

8. A copy of the sale contract is attached hereto as Exhibit 2 which outlines the specific agreements of the parties and terms of sale.

9. A copy of the resolutions of OWWM and Buyer are attached hereto as Exhibits 3 and 4 respectively.

10. The proposed transaction would not harm the public interest in that:

(a) As noted in the Consent Decree, a new treatment plant must be constructed to serve this area. The current system was built with a capacity of 80,000 gallons per day and such capacity has already been exceeded. There is undeveloped property in the service area that will only result in additional strain on the system as the area continues to grow.

(b) The Seller, OWWM does not have the ability to borrow the money necessary to build such plant and unless the plant is taken over by an entity capable of borrowing such funds, the plant and system could eventually go into receivership and/or be shut down by MDNR and subject the customers of the system to loss of services entirely, individual fines and penalties for their use of such system. The Buyer does, however, have opportunities available for loans and grants through Missouri Rural Development, Inc. and preliminary review of such documents indicates financing would be available to Buyer sufficient to build a new plant and upgrade the system to a capacity of at least 250,000 gallons per day.

(c) The nearest system is owned by the City of Springfield but such system is across the James River and the Greene/Christian county line. The City of Springfield and/or Springfield City Utilities have declined to take over the system or to expand their service area into Christian County.

(d) The nearest municipality in Christian County is the City of Nixa. The City of Nixa was approached and requested to purchase the system and/or to allow lifting of sewage over the ridge and into the Nixa trunk lines for a contracted fee. The City of Nixa declined to accept the system, annex the property served by the system, or allow a lifting of sewage to their trunk lines on a contract basis. The City of Nixa apparently has no plan for annexing this area and the residents in the area served have not expressed a majority interest in voluntarily annexing into the City of Nixa. Extension of the city limits to include this area would overtax the services of the City of Nixa, which would have to provide other services in addition to sewer.

(e) The Christian County Commissioners were approached for the purpose of forming a Sewer District as a political subdivision under applicable statutes and declined to take such action. The Christian County Commission has, however, given its support to the concept of a non-profit corporation governed by a Board of Directors elected from the customers of the system.

(f) The geographic area is located in one of the fastest growing areas in the state, but development has halted due to the plant capacity being already exceeded. A new plant would provide the infrastructure needed for additional economic development and be more protective of the environment.

(g) The only possible means of complying with the requirements of the clean water act and the agreement with the MDNR is for a new plant to be constructed and this proposed transaction is the only feasible alternative to obtain the financing necessary to build the plant.

11. The customers of the utility will not experience an immediate rate increase as a result of the sale. The existing rate will be charged for at least the first two months following the sale. The Buyer may impose a different rate structure after two months which may take account of differences in usage and types of use (rather than a flat rate for all customers) and the construction of a new plant will require additional revenues. However, the exact amount required for construction has not yet been determined, nor have any specific rate increases been approved. The monthly payment from the Buyer to OWWM is limited by actual revenues less expenses. Accordingly, the payment to OWWM will not necessitate an immediate rate increase.

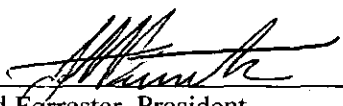
11. There will be no loss of tax revenue to the county as a result of the transfer. The treatment plant is located upon property that is leased, not owned. The owner of that property pays property taxes and the company, as tenant, reimburses the landlord for such cost through its rent. This will continue after the transfer. Personal property taxes will continue to be paid on the small amount of tangible personal property which is used in connection with the system.

12. OWWM has made arrangements with a private lender to borrow money sufficient to pay existing accounts payable, including the past assessments which are due the Commission. At the closing, these funds will be advanced to OWWM and the deferred payments from the Buyer to OWWM under the promissory note will be used as collateral for the loan from the private lender to OWWM. After this loan is repaid, OWWM will continue to collect the deferred payments until paid in full. Alternatively, OWWM may liquidate and assign its rights to payment to its sole shareholder. OWWM will cease providing services under its certificate of convenience and necessity immediately following the closing. OWWM will provide managerial assistance to the Buyer until the new plant is operational, because OWWM is familiar with the operation of the old plant.

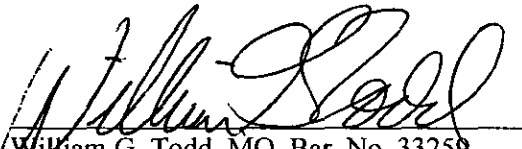
WHEREFORE, OWWM respectfully requests the Commission to issue an order:

- (a) Approving the sale and transfer of all of the franchise, works and system of OWWM to the Buyer;
- (b) Authorizing OWWM to distribute the proceeds of the sale, after payment of payables, to its sole shareholder;
- (c) Authorizing OWWM to discontinue providing wastewater collection and treatment in its certificated area as of the date of closing, sale and transfer of the system properties to the Buyer; and
- (d) For such other and further relief deemed appropriate and proper to accomplish the purposes of this application.

OZARK WATER AND WASTEWATER
MANAGEMENT CO., INC.


By: Jed Forrester, President

LAW OFFICE OF WILLIAM G. TODD

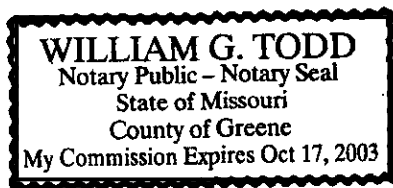

William G. Todd, MO. Bar. No. 33259
PO Box 2219
722 W. Center Circle
Nixa, MO 65714
(417) 725-6492

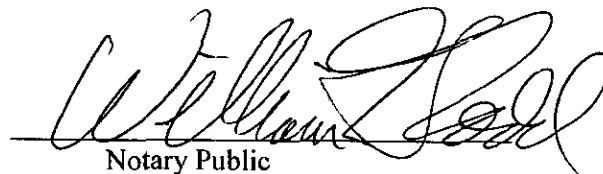
ATTORNEY FOR APPLICANT

STATE OF MISSOURI)
)
COUNTY OF GREENE) ss

On this 24th day of March, 2000, before me, a Notary Public, appeared Jed Forrester, who by me first being sworn did state that he is the President of Ozark Water and Wastewater Management, Co., Inc., and did further state that the statements contained in the foregoing application are true and correct to his best knowledge and belief.

In Witness Whereof, I have hereunto set my hand and official seal, the day and year first above written.




Notary Public

66-0111-1

Cancelling P.S.C.MO. No.English Village Sewer Service, Inc. For Christian County, Missouri

Name of Issuing Corporation

Community, Donnell Center, Mo.**RECEIVED**

LEGAL DESCRIPTION OF SERVICE AREA

JUN 27 1980

MISSOURI

Public Service Commission

A tract of land comprising all of the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of Section 35, Township 28 North, Range 22 lying West of New U. S. Highway No. 160, Christian County, Missouri. Also a tract of land lying in the East Half (E 1/2) of the Southeast Quarter (SE 1/4) of said Section 35 and the West Half (W 1/2) of the Southwest Quarter (SW 1/4) of Section 36, Township 28 North, Range 22 West, being more particularly described as beginning at the Southwest corner of Section 36; thence Easterly along the South line of said Section 36 to the Westerly Right-of-way line of State Highway CC; thence Northwesterly along the Westerly Right-of-way line of said Highway CC to a Right-of-way marker at the intersection of said line with the Easterly Right-of-way line of said U. S. Highway No. 160; thence West to the Westerly Right-of-way line of said U. S. Highway No. 160; thence Southwesterly along said Westerly Right-of-way line to the South line of said Section 35; thence Easterly along said South line to the point of beginning, all in Christian County, Missouri.

FILED

AUG - 1 1980

Public Service Commission

*Indicates new rate or text

+Indicates change

JUN 27 1980DATE OF ISSUE month day yearDATE EFFECTIVE month day yearISSUED BY Howard A. Stancer
name of officerPresident, Route 2, Box 50
title addressNixa, Missouri**EXHIBIT 1**

Cancelling P.S.C.MO. No.

Original SHEET No.
RevisedEnglish Village Sewer Service, Inc. Christian County, Missouri
Name of Issuing Corporation For Community, Town or City

MAP OF SERVICE AREA

RECEIVED

JUN 27 1980

MISSOURI
Public Service CommissionNW corner
E 1/2 SE 1/4 Sec. 35,
T-28, R-22

ENGLISH VILLAGE MOBILE HOME PARK

MEADOW VIEW
SUBDIVISION

MEADOW VIEW DRIVE

MEADOW VIEW DRIVE

Commercial

Highway 160

Commercial

Commercial

Highway 160

SW corner, E 1/2 SE 1/4,
Section 35, T-28, R-22

Section line

Scale 1" = 500'

FILED

AUG - 1 1980

Public Service Commission

*Indicates new rate or text
+Indicates changeDATE OF ISSUE JUN 27 1980
month day yearDATE EFFECTIVE 1/1/81 1981
month day yearISSUED BY Howard A. Stancer
name of officerPresident, Route 2, Box 50
title address
Nixa, Missouri

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made this 21st day of March, 2000, by and between OZARK WATER AND WASTEWATER MANAGEMENT, INC., a Missouri Corporation, (hereinafter referred to as "Seller"); and NORTHERN CHRISTIAN COUNTY REGIONAL WASTEWATER FACILITY, INC., a Chapter 393 Missouri Nonprofit Sewer Corporation (hereinafter referred to as "Buyer").

WITNESSETH:

WHEREAS, the parties desire that Seller shall sell to Buyer and that Buyer shall purchase from Seller certain assets used in connection with the wastewater system commonly known as the English Village Sewer District, in Christian County, Missouri, as more specifically hereinafter set forth upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and intending to be legally bound hereby, the parties agree as follows:

ARTICLE I

SALE AND PURCHASE OF ASSETS

1.1 Purchased Assets. Seller agrees to sell and Buyer agrees to Buy, the following assets which shall be conveyed at the Closing (as defined in Section 4.1), free and clear of all liens, claims, charges, restrictions and encumbrances (except any lien to Seller as security for the promissory note as set forth herein):

(a) All of the assets, equipment, fixtures and personal property listed in Schedule 1.1(a) attached hereto, which shall include, but not be limited to all of the assets and property affiliated with the English Village Sewer System, except as is specifically excluded in Section 1.2 hereof. This includes a transitional

EXHIBIT 2

right to use of the name the name "English Village Sewer System" or "Ozarks Water and Wastewater Management" during the period necessary to transition the business to the operational name chosen by the Buyer. The purchase includes and any and all goodwill, trademarks, service marks, copyrights, logos and intangible benefits associated with the use of such names and any marketing materials or brochures used to promote the business;

(b) The telephone number used in connection with the business, to wit: (417) 725-7800;

(c) All customer lists associated with the business (including name, address, telephone numbers; billing terms and any other recorded information relating to the customers);

(d) An assignment of the ground lease which exists with respect to the existing treatment plant;

(e) An assignment/conveyance of all easements appurtenant or easements in gross relating to the pipes, pumps, manholes, lines, laterals and other wastewater collection and treatment easements and rights, whether recorded or existing by prescription, license or otherwise under claim of right;

(f) All of the lines, pipes, pumps and equipment affiliated with the collection and treatment of wastewater by Seller, including replacement parts in inventory, whether the same are specifically listed in Schedule 1.1(a) or implied by this paragraph;

(g) To the limited extent that it may be transferred, such licenses granted by Christian County and/or the State of Missouri, which allows the Seller to operate its business of collecting and treating wastewater in the geographic area presently served by Seller. Seller and Buyer understand and acknowledge that the Seller does not currently have an unrestricted operating permit from the Missouri Department of Natural Resources ("MDNR") but is operating under the terms of a consent decree and judgment dated December 7, 1998. Said decree requires the Seller to take certain action to bring the operation in compliance with the clean water act, including, but not limited to, constructing a new sewage plant of increased capacity and

submitting to regular inspections of the plant by MDNR. Seller and Buyer agree to cooperate with MDNR to obtain an agreement whereby Buyer may assume operations by agreeing to certain terms of the decree. Buyer is willing to assume obligations under the decree except for the following: (a) Buyer desires additional time to commence and complete construction under Paragraph 5 thereof; and (b) Buyer will not assume liability for any past violations nor liability for any of the fines, assessments, penalties or other payments due MDNR by the Seller which may be unpaid. The obtaining of a revised decree and assumption of the same by Buyer is part of the consideration under this contract and is an essential contingency for the closing. Any revised agreement with MDNR must be acceptable to Buyer and its counsel. It is also understood that the Buyer is a self-regulating sewer district under the provisions of Chapter 393 RSMo operating as a Non-profit corporation and therefore no license as a PSC regulated public utility will be sought by Buyer and a transfer of the existing PSC license is not requested or required. However, Buyer and Seller understand and agree that the PSC must also approve this transfer for the closing to take place and Buyer and Seller shall cooperate in obtaining said approvals.

(h) All of the engineers drawings, plans and specifications belonging to Seller which pertain to the design and construction of a new wastewater treatment plant and any prepaid services or account credits with the engineering firm which prepared such plans. To the extent that said engineers have any balance due from Seller for work previously performed, Buyer does not assume such obligation and Seller agrees to hold Buyer harmless from same.

(i) Such other proprietary supplies of the business such as invoice forms, tickets, rate schedules, and such additional items as may be set forth in Schedule 1.1(a) attached hereto.

1.2 Retained Assets. Seller is retaining all vehicles, cash, and accounts receivable of the business. (Such retained assets shall hereinafter be referred to as the "Excluded Assets").

1.3 Instruments of Transfer. At the Closing, Seller shall deliver to Buyer such Bills of Sale, endorsements, assignments, certificates of title and other instruments of transfer as shall be necessary or appropriate to transfer and assign to Buyer all of Seller's right, title and interest in and to the Purchased Assets. Simultaneously with the foregoing, Seller shall take all steps as may be necessary to put the Buyer in possession and operating control of the Purchased Assets.

1.4 No Liabilities Assumed. Except for the obligations which Buyer expressly assumes in writing at closing (such as the limited obligations under the consent decree with MDNR), Buyer is not assuming any of Seller's liabilities or obligations. Seller agrees to protect, defend, indemnify and hold Buyer harmless from any and all obligations asserted against Buyer which arose from or arise out of the activities of Seller carried on prior to the closing date, including, but not limited to demands for refunds, claims by employees, claims by taxing authorities, claims arising from operations such as fines or penalties assessed under any environment law or unpaid fees imposed by any licensing authority or any other liability claims arising from the actions of Seller or its agents at any time prior to the closing.

1.5 Operation and Management Agreement. Part of the consideration to Buyer is the agreement of Jed Forrester and/or Seller to operate and maintain the facility as an independent contractor for a fixed sum of \$5,000 per month. Said payment shall be used to pay for all operational costs of the facility, including repairs, chemicals, maintenance, billing and administration and overhead. A separate management and operational agreement will be signed at closing pertaining to said services.

ARTICLE II

CONSIDERATION

2.1 Purchase Price. The aggregate purchase price for the Purchased Assets shall be the sum of Four Hundred Thousand Dollars (\$400,000.00), payable as follows. Buyer shall deliver to Seller its promissory note in the amount of \$400,000.00 with interest thereon at the rate of 8.25%, compounded monthly, with monthly payments equal to the lesser of the following: (a) An amount equal to the net cash flow based upon monthly revenues collected, less the \$5,000 contract operations payment; less the amount of \$100.00 per month as an administrative reserve; or (b) the sum of \$3,409.44 per month. Payments will commence 30 days after closing, and continue to be payable on the same day of each month for 36 months and payments. At the end of three years, the Buyer will use all reasonable efforts and diligence to obtain refinancing from a third party (upon reasonable terms) sufficient to pay off the balance remaining on the note. If Buyer is unable to obtain such financing, the payments shall continue at the same amount as set forth above. At least once per year thereafter, Buyer will likewise continue attempting to refinance the note until the note is fully and finally paid in full by such refinancing or through continuing monthly payments over the term. Said promissory note shall be secured by a first deed of trust and/or Security Agreement with Financing Statement to be filed securing a first position to Seller in all of the transferred assets and properties. Provided, however, that the Seller acknowledges that said note and security interest will need to be subordinated to any borrowings of the Buyer related to plant improvements and will be subject to a standby agreement concerning payments under the construction financing. Seller agrees to execute such documentation as is reasonably required in order for Buyer to obtain said construction financing, including, but not limited to, subordination and standby agreements.

2.2 Allocation of Purchase Price. The aggregate purchase price shall be allocated among the Purchased Assets by Seller and Buyer in accordance with Schedule 2.2 attached hereto. Such allocation is intended to comply with Section 1060 of the Internal Revenue Code of 1986, as amended, and Seller and Buyer agree to be bound by such allocation of the aggregate purchase price.

ARTICLE III

CLOSING

3.1 Date, Time and Place of Closing. If the conditions to the parties obligations as set forth in this agreement are satisfied, consummation of the transactions contemplated hereby (the "Closing") shall take place at the offices of William G. Todd, on or before the 1st day of May, 2000, at 1:00 p.m., or at such other date, place and time as the Seller and Buyer may mutually agree upon. If the transaction shall not have been approved by May 1, 2000, the closing date shall be extended from day to day for up to 30 additional days (to May 31, 2000) after which date, the closing may not be extended unless mutually agreed by the parties.

3.2 Deliveries by Seller at Closing. Seller shall deliver the following documents to Buyer at or before the closing, all of which shall be in form and substance acceptable to Buyer and its counsel:

- (a) The instruments of transfer required to transfer the Purchased Assets, including, as necessary, Bills of Sale, Assignment of Name, Assignment of Telephone Numbers, Assignment of Easements, Customer Lists and Supply Agreements as well as any releases of liens, claims, charges, encumbrances, security interests and other restrictions against or relating to the Purchased Assets as may be reasonable necessary to provide Buyer with clear title to the Purchased Assets; and

- (b) Assignment of Ground Lease on the real property where the treatment plant facility is located;
- (c) Order of the Missouri Public Service Commission approving this transfer and sale of assets subject to payment of unpaid assessments; and
- (d) Letter or agreement by and between MDNR, Seller and Buyer outlining the terms of operation under the consent decree and the requirements which will apply to Buyer under said decree and authorizing the operation of such plant by Buyer pursuant to the decree; and
- (e) Consents and approvals of all other third parties necessary for Seller to execute, deliver and/or perform this Agreement; and
- (f) Cashiers check made payable to the Missouri Public Service Commission for the full amount of any unpaid assessments or other charges due under the terms of the Order approving a transfer of the facility and such other documentation or payments as may be required as part of the terms of the Order approving transfer; and
- (f) Such other agreements as may be reasonably necessary to consummate the transaction herein intended.

3.3 Deliveries by Buyer at Closing. Buyer shall deliver the following documents to Seller at or before the Closing, all of which shall be in form and substance acceptable to Seller and its counsel:

- (a) Promissory Note in the amount of \$400,000.00;
- (b) First Deed of Trust and Security Agreement for personal property securing to Seller a first position in all of the transferred assets (including UCC-1 Financing Statements for

appropriate filing in Christian County, Missouri and with the office of the Missouri Secretary of State;

- (c) Consents and approvals of all third parties necessary for Buyer to execute and deliver and/or perform this Agreement; and
- (d) Such other agreements as may be reasonably necessary to consummate the transaction herein intended.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the following statements are true and correct as of the date hereof:

4.1 Legal Authority, Licenses and Permits. Seller has operated the business under a license issued by the Department of Natural Resources and the Missouri Public Service Commission and (except as to matters which shall be cured by Seller prior to closing or for which Seller shall remain solely liable after closing) Seller is not in breach of such license nor is has any action which Seller is aware of which would jeopardize such license, nor has a revocation or suspension thereof been threatened by any person, firm or governmental entity. It is acknowledged that Seller's authority to operate at this time is solely under the terms of the consent decree with MDNR and that Seller does not have an unrestricted operating permit. It is also acknowledged that Seller has certain unpaid assessments to the PSC which must be paid before the transaction may be closed and that an order of the PSC is required for the transaction to be closed. Aside from said restrictions, Seller warrants that it has full legal power to enter into this contract and sell its assets. To the best of Seller's knowledge, other than approval by the Missouri Public Service Commission and the

MDNR of the sale of this business, no approval, consent or filing with any court or governmental body is required for Seller's consummation of the transactions contemplated hereby or the signing, delivery or performance by Seller of this Agreement or any other agreement or document to be delivered hereunder by or on behalf of Seller. To the best of Seller's knowledge, in connection with the Business, and except as is specifically disclosed to Buyer in Schedule 4.1 hereto, Seller is not in violation of any law, court order or administrative or government order either through the Sellers past operation of the business or the sale hereof to Buyer.

4.2 No Changes. Seller agrees that since January 1, 1999, the Business has been operated only in the ordinary course, consistent with past practices. Since that date, there has not been:

- (a) any damage to or disposition (except for the sale of inventory) or loss (whether or not covered by insurance) of any material asset;
- (b) any general increase made or promised in the level or rate of salaries or compensation of employees, increases made or promised in the salary or compensation paid to or accrued for the benefit of any employee, representative or agent or any increase made or promised in the benefits payable under any bonus, insurance, pension or other benefit plan;
- (c) any waiver or release of any material rights of value;
- (d) any payment of, or commitment to pay, any severance or termination pay to any officer, employee, consultant or agent; or
- (e) any modification or termination of any contract or commitment under circumstances which, to the best knowledge of Seller, might have a material adverse effect on the Business.

(f) to Seller's knowledge, no other circumstances which would have a material adverse effect on the business.

4.3 Title. Seller warrants that there are no liens, claims, charges, restrictions or encumbrances affecting title or enjoyment of any of the Purchased Assets and, as a result of the transfers and deliveries at the Closing, will transfer, assign and convey all of the Seller's right, title and interest in and to the Purchased Assets free and clear of all liens, security interests, claims, charges, encumbrances and other restrictions or limitations affecting the ability to use or transfer such assets.

4.4 Condition. Except as otherwise specifically set forth in this contract, all assets are being sold AS IS and Seller makes no warranty, express or implied as to the condition of such assets.

4.5 Brokers and Finders. No broker, finder or other person or entity acting in a similar capacity has participated on behalf of Seller in bringing about the transactions herein contemplated, rendered any services with respect thereto or been in any way involved therewith, or, if not, Seller shall be liable for any and all commissions which may be claimed with respect thereto.

4.6 Financial Statements. Seller represents that the financial information and list of current customers which has previously been supplied to Buyer by Seller, is a substantially true and correct representation of actual operations, numbers of customers and revenues and expenses for the periods involved.

ARTICLE V

CONDITIONS OF CLOSING

5.1 Conditions to Closing. The obligation of Buyer to perform this Agreement is subject to satisfaction of the following conditions at or before the Closing:

- (a) The representations and warranties of the Seller contained herein shall continue to be accurate in all material respects just as if made as of the Closing;
- (b) There shall be no pending or threatened legal action or inquiry by any person or governmental authority which challenges the validity or legality of or seeks to prevent the consummation of the transaction contemplated by this Agreement;
- (c) Buyer shall have received all consents and approvals of all third parties necessary for the Seller to execute, deliver and perform this Agreement;
- (d) Buyer shall receive all of the documents, orders, consents and other items specifically set forth in Section 3.2 hereof.
- (e) This transfer shall have been approved by the Missouri Public Service Commission on behalf of Seller as a licensed provider, subject to payment of fees or other contingencies which shall be cured or satisfied as of the closing;
- (f) Buyer shall have received each instrument of transfer required to be delivered to Buyer under this agreement and shall be satisfied that all liens and liabilities of Seller have or will be satisfied;
- (g) Seller shall have received payment of the purchase price by its receipt of duly executed and secured promissory note; and
- (h) Buyer shall have entered into an agreement with MDNR which is acceptable to Buyer and its counsel; and
- (i) Buyer and Seller (or Jed Forrester) shall have entered into an management/operation agreement acceptable to them under the terms set forth herein calling for a continuing management for at least three years at a fixed sum not to exceed \$5,000 per month.

ARTICLE VI

MISCELLANEOUS

6.1 Expenses; Transfer Taxes. Except to the extent otherwise specifically provided herein, Buyer shall pay all of the expenses incident to the transactions contemplated by this Agreement which are incurred by Buyer or its representatives, and Seller shall pay all of the expenses incident to the transactions contemplated by this Agreement which are incurred by Seller or its representatives. Buyer agrees to pay all sales and transfer taxes, if any, which may be payable in connection with and imposed upon the sales, transfers, deliveries, assignments and conveyances made to Buyer hereunder.

6.2 No Assignment. No assignment by any party of this Agreement or any right or obligation hereunder may be made without the prior written consent of the other party and any assignment attempted without that consent will be void. Provided, that Buyer shall have the right to assign this contract to a Corporation, Limited Liability Company or Partnership wholly owned or controlled by Buyer.

6.3 Publicity. Prior to the Closing, including the day thereof, all public announcements relating to this Agreement or the transactions contemplated hereby, including announcements to employees, will be made only as may be agreed upon by Seller and Buyer.

6.4 Further Assurances. Seller agrees that, at any time and from time to time after the Closing, it will, upon the reasonable request of Buyer, do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged or delivered, all such further acts, deeds, assignments, transfers, powers of attorney or assurances as may be reasonably required in order to fully complete and consummate the transactions contemplated hereby and to put Buyer in possession and control of the Purchased Assets. The parties recognize and agree that during the initial transition it is likely that telephone requests for service will

continue to come to Seller's residence. Seller agrees to cooperate in referring such people to the correct number and Buyer agrees to notify all such persons of the change in numbers to limit the inconvenience to Seller.

6.5 Cooperation of Personnel. Buyer covenants that it will make available to Seller upon request (i) Buyer's personnel to assist Seller in locating and obtaining records and files transferred to and maintained by Buyer, and (ii) any of Buyer's personnel whose assistance or participation is reasonably required by Seller in anticipation of, preparation for, or participation in existing or future litigation, tax or other matters, in which Seller is or may be involved. Seller shall pay or reimburse Buyer for any reasonable out of pocket expenses incurred by Buyer or such personnel in connection with such assistance. Seller have agreed to provide assistance and cooperation to Buyer in the transition of the business to Buyer. Seller agrees to provide management and operational services under the separate agreement referenced herein, and, upon termination of any such agreement, Seller will provide training and support to Buyer or any newly hired management company during the first 30 days following a change in said management, if requested by Buyer.

6.6 Termination. This Agreement may be terminated:

- (a) by the mutual written agreement of Buyer and Seller;
- (b) at any time after May 31, 2000 if the Closing shall not have taken place on or before such date or shall have been extended in a writing signed by the parties. Such date may be extended up to six months from such date if necessary due to acts of God, force majeure, or other extraordinary and unforeseen circumstances necessitate a continuation.

If this Agreement is terminated pursuant to this Section, all provisions of this Agreement shall become void without any liability on the part of any party.

6.7 Covenant Not to Compete. Seller and each of the owners, officers and employees of Seller agree that for a period of four years following the Closing, that they will not engage, either directly or indirectly, as an owner, employee, agent or consultant, in the wastewater treatment business within a 5 mile radius of the location of the facility in Christian County, Missouri, with the sole exception of work performed on behalf Buyer or at Buyer's direction or with Buyer's previous written permission. In the event of a breach of this covenant not to compete Buyer shall have the right to enforce this provision by specific performance in addition to any other rights or remedies which it might have at law or in equity.

6.8 Employees. Seller shall terminate all existing employees and independent contract laborers, if any, as of the closing date. Buyer shall have the right in its sole discretion to rehire or continue the employment of any such employees or contractors as Buyer desires, and Buyer shall not be responsible for any back wages, severance or termination benefits or for the continuation of any employee benefit plan.

6.9 Binding Effect. Except as may be otherwise provided herein, this Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6.10 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Missouri.

6.13 Severability. If any provision of this Agreement shall be held unenforceable, invalid, or void to any extent for any reason, such provision shall remain in force and effect to the maximum extent allowable, if any, and the enforceability or validity of the remaining provisions of this Agreement shall not be affected thereby.

6.14 Waivers. No waiver of any of the provisions of this Agreement shall be valid and enforceable unless such waiver is in writing and signed by the party granting the same, and, unless otherwise stated therein, no such waiver shall constitute a waiver of any other provision hereof (whether or not similar) or a continuing waiver.

6.15 Entire Agreement. This Agreement and the agreements, instruments and other documents to be delivered hereunder constitute the entire understanding and agreement between the parties hereto concerning the subject matter hereof. All negotiations between the parties hereto are merged into this Agreement, and there are no representations, warranties, covenants, understandings, or agreements, oral or otherwise, in relation thereto between the parties other than those incorporated herein and to be delivered hereunder.

6.16 Modification. No supplement, modification or amendment of this Agreement shall be binding unless made in a written instrument signed by all of the parties which specifically refers to this Agreement.

6.17 No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against either party.

[SIGNATURE PAGE FOLLOWS]

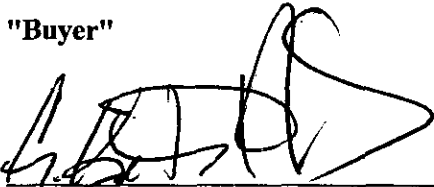
IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND, the parties have signed this Agreement as of the date first above written.

"Seller"



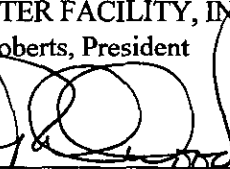
OZARK WATER AND WASTEWATER MANAGEMENT, INC.
By: Jed Forrester, President

"Buyer"



NORTHERN CHRISTIAN COUNTY REGIONAL
WASTEWATER FACILITY, INC.
By: Keith Roberts, President

ATTEST:


Secretary

**RESOLUTION OF THE BOARD OF DIRECTORS
OZARK WATER AND WASTEWATER MANAGEMENT, CO., INC.**

On the 21st day of March, 2000, a special meeting of the Board of Directors of Ozark Water and Wastewater Management, Co., Inc., (OWWM) a Missouri Corporation, was held. After review of various documents and discussion, the board adopted the following resolution:

BE IT RESOLVED that the Corporation shall sell to Northern Christian County, Regional Wastewater Facility, Inc., a non-profit sewer company, its sewage treatment plant and system and all related assets as set forth in the contract executed this same date, subject to the terms and conditions stated therein, for the sum of \$400,000.00 financed by OWWM pursuant to the terms of the promissory note;

BE IT FURTHER RESOLVED that Jed Forrester, President of the Company, is hereby authorized to execute the Agreement to Purchase said system, and any and all documents reasonably necessary to consummate said transaction on behalf of the Corporation.

BE IT FURTHER RESOLVED that the matter shall be submitted to the Missouri Public Service Commission for approval of said transfer. In the interim, the company President shall negotiate the terms of a management and operations agreement and for a partial assumption of the conditions of the Consent Decree with the MDNR.

I do hereby certify that the foregoing is a true and accurate copy of a resolution duly adopted on March 21, 2000. The vote was 1 in favor, 0 against.



Jed Forrester, President, Sole Director and Sole Shareholder
Ozark Water and Wastewater Management Co., Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS
NORTHERN CHRISTIAN COUNTY REGIONAL WASTEWATER FACILITY, INC.**

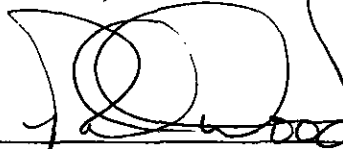
On the 21st day of March, 2000, a special meeting of the Board of Directors of Northern Christian County Regional Wastewater Facility, Inc., a Missouri Non-Profit Corporation, was held. After review of various documents and discussion, the board adopted the following resolution:

BE IT RESOLVED that the Corporation shall purchase from Ozark Water and Wastewater Management, Inc., its sewage treatment plant and system and all related assets as set forth in the contract executed this same date, subject to the terms and conditions stated therein, for the sum of \$400,000.00 financed by Seller pursuant to the terms of the promissory note;

BE IT FURTHER RESOLVED that Keith Roberts, President, President of the Company, is hereby authorized to execute the Agreement to Purchase said system, and any and all documents reasonably necessary to consummate said transaction on behalf of the Corporation, with or without the attestation of the Secretary of the Corporation, and may, if requested, attest any matter so required in the role of assistant secretary, subject, however, to the final approval of closing documents by the Board.

BE IT FURTHER RESOLVED that the matter shall be submitted to the Missouri Public Service Commission for approval of said transfer. In the interim, the company President shall negotiate the terms of a management and operations agreement and for a partial assumption of the conditions of the Consent Decree with the MDNR and shall, upon completion of such negotiations, submit them to the board for review and approval.

I do hereby certify that the foregoing is a true and accurate copy of a resolution duly adopted on March 21, 2000. The vote was 4 in favor, 0 against. Mr. Forrester abstained.



NEAL WOOD, Secretary

No. N00063452

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

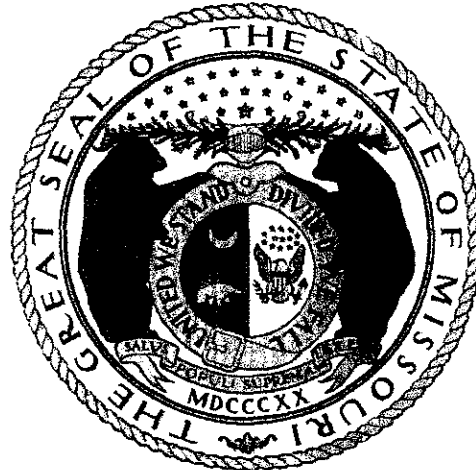
CORPORATION DIVISION
CERTIFICATE OF INCORPORATION
MISSOURI NONPROFIT

WHEREAS, duplicate originals of Articles of Incorporation of
NORTHERN CHRISTIAN COUNTY REGIONAL WASTEWATER FACILITY, INC.

have been received and filed in the office of the Secretary of
State, which Articles, in all respects, comply with the
requirements of Missouri Nonprofit Corporation Law;

NOW, THEREFORE, I, REBECCA McDOWELL COOK, Secretary of State
of the State of Missouri, by virtue of the authority vested in
me by law, do hereby certify and declare this entity a body
corporate, duly organized this date and that it is entitled to
all rights and privileges granted corporations organized under
the Missouri Nonprofit Corporation Law.

IN TESTIMONY WHEREOF, I have set my
hand and imprinted the GREAT SEAL of
the State of Missouri, on this, the
18th day of FEBRUARY, 2000.



Rebecca McDowell Cook
Secretary of State

\$25.00

Articles of Incorporation of a Nonprofit Sewer Corporation

Northern Christian County Regional Wastewater Facility, Inc.

**HONORABLE REBECCA McDOWELL COOK
SECRETARY OF STATE
P.O. BOX 778
JEFFERSON CITY, MISSOURI 65102**

The undersigned natural persons of the age of eighteen years or more, for the purpose of forming a Nonprofit Sewer Company under Section 393.825 to 393.861 and 393.175 of the Missouri Revised Statutes adopt the following Articles of Incorporation:

- (1) The name of the Corporation is **Northern Christian County Regional Wastewater Facility, Inc.**
- (2) The name and address of the Corporation's registered agent and principal office shall be:
Registered Agent: **Keith Roberts**
Principal office and Agent address: **Northern Christian County Regional Wastewater Facility, Inc.
Suite 800
307 S. West Street
Nixa, MO 65714**
- (3) The names and addresses of the Incorporators are:

Keith Roberts
1424 N. Woodview Drive
Nixa, MO 65714

Bob Hall
1960 N. Prairie Court
Nixa, MO 65714

Neal Wood
809 S. Farm Road 193
Springfield, MO 65809

Bob Schermer
1905 Winged Foot Drive
Nixa, MO 65714

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

FEB 18 2000

Rebecca McDowell Cook
SECRETARY OF STATE

Jed Forrester
Suite 800
307 S. West Street
Nixa, MO 65714

(4) The period of duration of the Corporation is **perpetual**.

(5) The names and addresses of the persons who shall constitute the first Board of Directors are:

Keith Roberts
1424 N. Woodview Drive
Nixa, MO 65714

Bob Hall
1960 N. Prairie Court
Nixa, MO 65714

Neal Wood
809 S. Farm Road 193
Springfield, MO 65809

Bob Schermer
1905 Winged Foot Drive
Nixa, MO 65714

Jed Forrester
Suite 800
307 S. West Street
Nixa, MO 65714

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

FEB 18 2000

Robert L. Hall
SECRETARY OF STATE

the foregoing shall serve until their successors are elected as as provided in the Bylaws. Additional directors may be elected as provided in the Bylaws, not to exceed eleven in number. The Bylaws may provide for election of Directors by zone and/or at-large. The Directors shall serve on staggered three year terms as provided by law.

(6) The company elects to be subject to the General Non-Profit Corporation Law under Chapter 355 RSMo.

(7) The Corporation shall have members. The incorporators shall constitute the initial members. At such time as the Company acquires or constructs a sewer system and begins providing services thereunder, membership shall be comprised of those persons receiving services or agreeing to receive services once available to them in the geographic boundary of the area to be served by the company and as otherwise provided in the Bylaws, consistent with the Statute under which the Corporation is formed. Membership shall not be transferrable. An initial membership fee may be imposed by the Board, refundable without

interest in the event membership is terminated, consistent with the Statute under which the Corporation is formed.

(8) The rights of the members and procedures to be undertaken in the event of dissolution or liquidation of the company shall be such as is provided in Section 393.853 and 393.855 RSMo.

(9) This document shall be effective immediately upon filing with the Secretary of State of Missouri.

In affirmation of the facts stated above, we have hereunto set our hands as Incorporators:

[Signature]
Keith Roberts

Bob Hall
Bob Hall

Bob Schermer
Bob Schermer

[Signature]
Neal Wood

[Signature]
Jed Forrester

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

FEB 18 2000

[Signature]
SECRETARY OF STATE

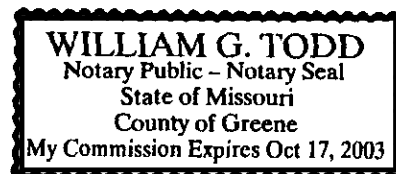
STATE OF MISSOURI)
) SS.
COUNTY OF GREENE)

I, WILLIAM G. TODD, a notary public, do hereby certify that on the 11th day of JANUARY, 2000, 1999, Keith Roberts, Bob Hall, Bob Schermer, Jed Forrester and Neal Wood, personally appeared before me and being first duly sworn by me severally acknowledged that they signed as their free act and deed the foregoing documents in the respective capacities therein set forth and declared that the statements therein contained are true, to their best knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

My Commission Expires:

[Signature]
Notary Public



Northern Christian County Regional Wastewater Facility, Inc.

Bylaws

ARTICLE I

Office

SECTION 1. Principal and Registered Office. The principal office of the Corporation in the State of Missouri shall be located at 307 S. West Street, Nixa, Missouri. The Registered Office of the Corporation required by the Chapter 393 of the Missouri Revised Statutes and the Not For Profit Corporations Act of Missouri to be maintained in the State of Missouri may be, but need not be, identical with the principal office in the State of Missouri, and the address of either office may be changed from time to time by the Board of Directors.

ARTICLE II

Members

SECTION 1. Members. The Corporation shall have members. The incorporators shall be the initial members of the Corporation. At such time as the Corporation commences construction or acquires a previously existing and operating waste water system, membership shall be expanded to include all persons that are located within the geographic area to be served by such system and are either actual users of services furnished by the company or have agreed to use services furnished by the company when such shall be available through its facilities as provided in Section 393.839 RSMo. As to those users of services, each customer connection and user of facilities shall be entitled to one membership interest and one vote for the election of Directors. In this regard, a single customer shall be represented by a single monthly billing, even if more than one building shall be connected to the system or regardless of the number of owners of the property represented by such single billing. Membership shall be limited to the residents of or property owners and customers located within the specific geographic area designated to be served by the corporation, being located in Christian County, Missouri. In the case of a member that is a corporation, its agent or officer shall represent the customer as member. In the case of multiple owners, only one owner may vote and votes may not be divided into fractional interests.

SECTION 2. Membership Rights. The members of the Corporation shall have the right to vote for the election of Directors of the Corporation and to amend these bylaws or the articles of the Company and shall have such other rights as required by Chapter 393.825 to 393.861 RSMo. Members may also be entitled to dividends or proceeds in liquidation as provided therein. Otherwise, the members shall have no authority, acting alone, to govern or bind the company to any transaction and shall not be liable for the debts or obligations of the Corporation. Management of the Corporation shall be through the Board of Directors. Membership rights shall not be transferable, however, a Member may grant a proxy with respect to any matter for vote at any particular meeting of the membership. A valid proxy must be signed

and dated by the member and shall be valid for 11 months from the date of signature or until revoked in writing by notice sent to the Secretary of the Company. All proxies must be filed with the Secretary of the company at or prior to the meeting and shall be retained by the secretary. Proxies may be mailed to the Secretary or principal office of the company prior to the meeting and may appoint a particular person or the President of the Company as proxy for all purposes and matters to come before the meeting. Proxies may be limited or specific. Membership in the company shall cease when a Member is no longer a user of the facilities of the Company. New members shall be added as they become users of the facilities of the company.

SECTION 2. Meetings. The annual meeting of the members shall be held on the fourth Thursday in the month of July at the hour of 7:00 p.m. The meeting shall be held at such location as is specified by the directors, but in any event shall be held within a 10 mile radius of the primary service area of the corporation. Two percent (2%) of the membership present at any meeting shall constitute a quorum for the transaction of the company business. Special meetings of the member may be called by the Board of Directors, by any three Directors, by not less than 10% of the members, or by the President. Written or printed notice stating the time and place of any meeting of the members, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each member, either personally or by mail, not less than 10 nor more than 25 days before the date of the meeting.

ARTICLE III

Board of Directors

SECTION 1. General Powers. The property and business of the Corporation shall be managed under the direction of the Board of Directors of the Corporation. This shall include, but not be limited to, all matters necessary for the acquisition, construction and operation of wastewater facilities and connections in the designated service area, including the establishment of such area and the setting of rates and the like in connection therewith.

SECTION 2. Number and Term of Office. The number of directors shall be not less than five nor more than eleven. The initial Board shall number five and the same shall be elected by the incorporators. The future number shall be designated from time to time by resolution adopted at any annual or special meeting of the members. The directors shall serve for a period of three (3) years. The Directors shall serve on staggered terms so that approximately one-third of the Board shall be elected at each annual meeting of the Board to serve for three years. At the first meeting, one shall be elected for a one year term, two shall be elected for a two year term and two shall be elected for a three year term. Board members shall be elected by the membership at each annual meeting to fill those positions of the board scheduled to expire. A slate of candidate(s) for each board position shall be submitted by the Board and nominations shall be accepted from the floor at any such meeting. Those members receiving the most votes (plurality) shall fill the open positions. There is no limit to the number of terms a Director may serve, nor shall there be any restriction upon being reelected.

SECTION 3. Nomination and Election of Directors. At least thirty (30) days prior to the Annual Meeting of the Directors of the Corporation, the Nominating Committee, consisting of the President and two other Directors appointed by the Board of Directors shall decide upon a slate of directors to fill the Board positions then expiring, and shall present such slate to the Membership of the Corporation not less than ten (10) days prior to said Annual Meeting. Upon the request of any member made prior to or at the annual meeting, additional candidates may be added to the slate of Directors. The Nominating Committee shall thereafter present the said slate or slates of nominees to the Members of the Corporation for election at the Annual Meeting.

SECTION 4. Filling Vacancies. In the case of any vacancy in the Board of Directors through death, resignation, disqualification, removal or other cause, the remaining directors, by affirmative vote of the majority thereof, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of his successor, or until he shall be removed, prior thereto, by an affirmative vote of at least three-fourths of the Directors.

Any director may be removed from office with or without cause by the affirmative vote of three-fourths of the members present at any annual or special meeting called for such purpose. A Director may be removed for cause by a majority of the Directors. The term "cause" shall include the conviction of any felony or any fraud, theft, embezzlement or intentional harm directed at the Corporation.

SECTION 5. Place of Meeting. The Board of Directors may hold their meetings and have one or more offices, and keep the books of the Corporation, either within or outside the State of Missouri, at such place or places as they may from time to time determine by resolution or by written consent of all directors.

SECTION 6. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by resolution of the Board, provided that notice of every resolution of the Board fixing or changing the time or place for the holding of regular meetings of the Board shall be mailed to each director at least ten (10) days before the first meeting held pursuant thereto. The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the members. Any business may be transacted at any regular meeting of the Board.

SECTION 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by any member of the Board of Directors. The Secretary shall give notice of each special meeting of the Board of Directors, by mailing the same at least ten (10) days prior to the meeting or by telegraphing the same at least five (5) days before the meeting, to each director; but such notice may be waived by any director. Special meetings of the Board of Directors shall specify an Agenda and no other business may be taken up at a special meeting unless all members of the Board present at the meeting consent to taking up such item. Immediately following the meeting, any items taken up which were not on the Agenda must be specifically communicated to all Board members who were absent. Any Board member absent shall have two days from the receipt of such notice to file an objection, and if such objection is filed, then such action shall be held in abeyance pending a special meeting specifically called for the reconsideration of such item. The Secretary, upon receipt of any such objection, shall call such special meeting by not less than five (5) days written notice to all Board members specifying the matter to be reconsidered. Notwithstanding the foregoing, any action to (a) amend the Articles of Incorporation; (b) amend these Bylaws; or (c) remove a director, may not be taken up at a special meeting of the Board of

Directors or of the Members unless specifically set forth in the Agenda and notice of the meeting. The provisions of this paragraph may, as with any other matter pertaining to notice herein, be waived by the unanimous written consent of all Directors.

SECTION 8. Quorum. One-third (1/3) of the whole number of directors shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but, if at any meeting less than a quorum shall be present, a majority of those present may adjourn the meeting from time to time, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by law or by the Articles of Incorporation or by these By-Laws.

SECTION 9. Meetings of Directors. If all of the directors entitled to vote shall meet at any place, either within or without the State, and consent to the holding of the meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 10. Action without Meeting by Written Consents. Any action required to be taken at a meeting of the directors or any action which may be taken at a meeting of the directors may be taken without a meeting when consents in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter thereof. Such consents shall have the same force and effect as the unanimous vote of the directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the directors.

SECTION 11. Conference Call. Any Board member may request to participate in any Board meeting by conference call or other means of communication whereby each Board member can hear the others. Each member so participating shall be considered present at the meeting.

SECTION 12. Required Vote. Except as otherwise set forth herein, affirmative vote of a majority of those present shall be necessary for the passage of any resolution.

SECTION 13. Compensation of Directors. Directors shall not receive any stated salary for their services as such, but each director shall by resolution of the Board of Directors be entitled to receive from the Corporation reimbursement of the expenses incurred by him in attending any regular or special meeting of the Board, and, by resolution of the Board of Directors, a fixed sum may also be allowed for attendance at each regular or special meeting of the Board and such reimbursement and compensation shall be payable whether or not a meeting is adjourned because of the absence of a quorum. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 14. Nominating Committee. The Board of Directors shall elect a Nominating Committee consisting of the President and at least one other director. The Nominating Committee shall be selected by the Board of Directors at the regular meeting of the Board of Directors following the annual meeting.

SECTION 15. Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the

directors of the Corporation, which, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such names as may be determined from time to time by resolution adopted by the Board of Directors.

ARTICLE IV

Officers

SECTION 1. Election, Tenure and Compensation. The officers of the Corporation shall be a President, a Secretary, and a Treasurer, and/or one or more Vice Presidents and/or one or more assistants to the foregoing officers as the Board of Directors from time to time may consider necessary for the proper conduct of the business of the Corporation. The officers shall be elected annually by the Board of Directors at its annual meeting except where a longer term is expressly provided in an employment contract duly authorized and approved by the Members. The President and Vice President shall be a director and the other officers may, but need not be, directors. Any two or more of the above offices, except those of President and Secretary, may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity if such instrument is required by law or by these By-Laws to be executed, acknowledged or verified by any two or more officers. The compensation or salary paid all officers of the Corporation shall be fixed by resolution adopted by the Board of Directors.

In the event that any office other than an office required by law, shall not be filled by the Board of Directors, or, once filled, subsequently becomes vacant, then such office and all references thereto in these By-Laws shall be deemed inoperative unless and until such office is filled in accordance with the provisions of these By-Laws.

Except where otherwise expressly provided in a contract duly authorized by the Board of Directors, all officers and agents of the Corporation shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors, and all officers, agents, and employees shall hold office at the discretion of the Board of Directors or of the officers appointing them.

SECTION 2. Powers and Duties of the President. The President shall be the chief executive officer of the Corporation and shall have general charge and control of all its business affairs and properties. He or she shall preside at all meetings of the members.

The President may sign and execute all authorized bonds, contracts or other obligations in the name of the Corporation. He or she shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation. The President shall be ex-officio a member of all the standing committees. He or she shall do and perform such other duties as may, from time to time, be assigned to him or her by the Board of Directors.

In the event that the Board of Directors does not take affirmative action to fill the office of Chairman of the Board, the President shall assume and perform all powers and duties given to the Chairman of the Board of these By-Laws.

Notwithstanding anything contained herein to the contrary, unless it is previously approved by resolution of the Board of Directors or set forth as a specific item in an annual budget approved by the Board of Directors, neither the President, nor any other officer, may sign any document or contract, which binds the company nor enter into any contract binding the company to do one or more of the following:

- (a) Purchase or lease any real estate;
- (b) Enter into any agreement which is not cancelable on 30 days or less notice and which obligates the Corporation to pay more than \$200 per-month, excluding phone and utilities;
- (c) Requires the Corporation to pay more than \$5,000 cumulatively or \$1,000 at any one time, except for inventory and supply agreements which otherwise meet the requirements of paragraph (b) above;
- (d) Purchase any capital asset costing more than \$1,000;
- (e) Pledges or encumbers any of the Corporation's assets;
- (f) Binds the company to any employment agreement not terminable at will;
- (g) Cancels or terminates any agreement, prior to the scheduled termination, which falls within the above classifications or which was specifically authorized and directed to be entered into by the Board at such agreement's inception;
- (h) Institutes or directs the filing of any lawsuit.

SECTION 3. Powers and Duties of the Vice President. The Board of Directors may, but need not appoint one or more Vice Presidents. Any Vice President (unless otherwise provided by resolution of the Board of Directors) may sign and execute all authorized bonds, contracts, or other obligations in the name of the Corporation. Each Vice President shall have such other powers and shall perform such other duties as may be assigned to him by the Board of Directors or by the President. In case of the absence or disability of the President, the duties of that office shall be performed by the Vice President, and if there is more than one, then the Executive Vice-President and such successors in authority as may be set forth in the resolution appointing him or her. The taking of any action by any such Vice President in the place of the President shall be conclusive evidence of the absence or disability of the President.

SECTION 4. Secretary. The Secretary shall give, or cause to be given, notice of all meetings of the Directors and all other notices required by law or by these By-Laws, and in case of his or her absence or refusal or neglect to do so, any such notice may be given by any person thereunto directed by the President, or by the directors upon whose written request the meeting is called as provided in these By-Laws. The Secretary shall record all the proceedings of the meetings of the directors in books provided for that purpose, and he or she shall perform such other duties as may be assigned to him or her by the directors or the President. He or she shall have custody of the seal of the Corporation and shall affix the same to all instruments requiring it, when authorized by the Board of Directors or the President, and attest the same. In general, the Secretary shall perform all the duties generally incident to the office of Secretary, subject to the control of the Board of Directors and the President.

SECTION 5. Treasurer. The Treasurer shall have custody of all the funds and securities of the Corporation, and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation. He or she shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depository or depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper account for such disbursements. He or she shall render to the President and the Board of Directors, whenever either of them so requests, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation.

The Treasurer shall give the Corporation a bond, if required by the Board of Directors, in a sum, and with one or more sureties, satisfactory to the Board of Directors, for the faithful performance of the duties of the office and for the restoration to the Corporation in case of his or her death, resignation, retirement or removal from office of all books, papers, vouchers, moneys, and other properties of whatever kind in his or her possession or control as belong to the Corporation.

The Treasurer shall perform all the duties generally incident to the office of the Treasurer, subject to the control of the Board of Directors and the President.

SECTION 6. Assistant Secretary. The Board of Directors may appoint an Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Secretary in the absence or disability of the Secretary and shall have such other powers and shall perform such other duties as may be assigned by the Board of Directors or the President. In case of the absence or disability of the Secretary, the duties of the office shall be performed by any such Assistant Secretary, and the taking of any action by any such Assistant Secretary in the place of the Secretary shall be conclusive evidence of the absence or disability of the Secretary.

SECTION 7. Assistant Treasurer. The Board of Directors may appoint an Assistant Treasurer or more than one Assistant Treasurer. Each Assistant Treasurer shall (except as otherwise provided by resolution of the Board of Directors) have power to perform all duties of the Treasurer in the absence or disability of the Treasurer and shall have such other powers and shall perform such other duties as may be assigned by the Board of Directors or the President. In case of the absence or disability of the Treasurer, the taking of any action by any such Assistant Treasurer in place of the Treasurer shall be conclusive evidence of the absence or disability of the Treasurer.

ARTICLE V

Corporate Seal

SECTION 1. Seal. The corporate seal shall be circular in form and shall have inscribed thereon the name of the Corporation, the year of its organization and the word "Missouri." Duplicate copies of the corporate seal may be provided for use in the different offices of the Corporation but each copy thereof shall

be in the custody of the Secretary of the Corporation or of an Assistant Secretary of the Corporation nominated by the Secretary.

ARTICLE VI

Bank Accounts and Loans

SECTION 1. Bank Accounts. Such officers or agents of the Corporation as from time to time shall be designated by the Board of Directors shall have authority to deposit any funds of the Corporation in such banks or trust companies as shall from time to time be designated by the Board of Directors and such officers or agents as from time to time shall be authorized by the Board of Directors may withdraw any or all of the funds of the Corporation so deposited in any such bank or trust company, upon checks, drafts or other instruments or orders for the payment of money, drawn against the account or in the name or behalf of this Corporation, and made or signed by such officers or agents; and each bank or trust company with which funds of the Corporation are so deposited is authorized to accept, honor, cash and pay, without limit as to amount, all checks, drafts or other instruments or orders for the payment of money, when drawn, made or signed by officers or agents so designated by the Board of Directors until written notice of the revocation of the authority of such officers or agents by the Board of Directors shall have been received by such bank or trust company. There shall from time to time be certified to the banks or trust companies in which funds of the Corporation are deposited, the signature of the officers or agents of the Corporation so authorized to draw against the same. In the event that the Board of Directors shall fail to designate the persons by whom checks, drafts and other instruments or orders for the payment of money shall be signed, as hereinabove provided in this Section, all of such checks, drafts and other instruments or orders for the payment of money shall be signed by the President or a Vice President and countersigned by the Secretary or Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation.

SECTION 2. Loans. Such officers or agents of this Corporation as from time to time shall be designated by resolution of the Board of Directors shall have authority to effect loans, advances or other forms of credit at any time or times for the Corporation from such banks, trust companies, institutions, corporations, firms or persons as the Board of Directors, shall from time to time designate, and as security for the repayment of such loans, advances, or other forms of credit to assign, transfer, endorse and deliver, either originally or in addition or substitution, any or all stocks, bonds, rights and interest of any kind in or to stocks or bonds, certificates of such rights or interests, deposits, accounts, documents covering merchandise, bills and accounts receivable and other commercial paper and evidences of debt at any time held by the Corporation; and for such loans, advances or other forms of credit to make, execute and deliver one or more notes, acceptances or written obligations of the Corporation on such terms, and with such provisions as to the security or sale or disposition thereof as such officers or agents shall deem proper; and also to sell to, or discount or rediscount with, such banks, trust companies, institutions, corporations, firms or persons any and all commercial paper, bills receivable, acceptances and other instruments and evidences of debt at any time held by the Corporation, and to that end to endorse, transfer and deliver the same. There shall from time to time be certified to each bank, trust company, institution, corporation, firm or person so designated the signatures of the officers or agents so authorized; and each such bank, trust company, institution, corporation, firm or person is authorized to rely upon such certification until written notice of the revocation by the Board of Directors of the authority of such officers or agents shall be delivered to such bank, trust company, institution, corporation, firm or person.

ARTICLE VII

Reimbursements

Any payments made to an officer or other employee of the Corporation, such as salary, commission, interest or rent, or entertainment expense incurred by him, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such officer or other employee of the Corporation to the full extent of such disallowance. It shall be the duty of the Directors, as a Board, to enforce payment of each such amount disallowed. In lieu of payment by the officer or other employee, subject to the determination of the Board of Directors, proportionate amounts may be withheld from his future compensation payments until the amount owed to the Corporation has been recovered.

ARTICLE VIII

Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall end on the last day of December.

SECTION 2. Notices. Whenever, under the provisions of these By-Laws, notice is required to be given to any director, officer or member it shall not be construed to mean personal notice, but such notice shall be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to each member, officer or director at such address as last appears on the books of the Corporation, and such notice shall be deemed to be given at the time the same be thus mailed. Any member, director or officer may waive any notice required to be given under these By-Laws.

ARTICLE IX

Amendments

SECTION 1. Amendment of By-Laws. Any amendment of these By-Laws shall first be approved by the Board of Directors, and once approved shall be submitted to the membership for approval. Approval of such change shall require a vote of two-thirds majority of those present in person or by proxy at any annual meeting or special meeting called for such purpose. This shall include by the same process the authority to amend, alter or repeal the Articles of Incorporation and/or these By-Laws or any provision thereof, and from time to time by the same process to make additions to these By-Laws.

ARTICLE X

Indemnification

SECTION 1. Definitions. As used in this Article X, any word or words that are defined in Section 351.355 of the General Business Corporations Act of Missouri, as amended from time to time (the "Indemnification Section"), shall have the same meaning as provided in the Indemnification Section.

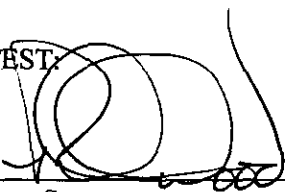
SECTION 2. Indemnification of Directors and Officers. The Corporation shall indemnify and advance expenses to a director or officer of the Corporation in connection with a proceeding to the fullest extent permitted by and in accordance with the Indemnification Section.

SECTION 3. Indemnification of Employees and Agents. With respect to an employee or agent, other than a director or officer, of the Corporation, the Corporation may, as determined by the Board of Directors of the Corporation, indemnify and advance expenses to such employee or agent in connection with a proceeding to the extent permitted by and in accordance with the Indemnification Section.

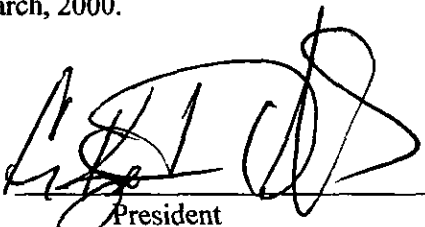
SECTION 4. Insurance. The Corporation may purchase Officers and Directors liability insurance, General Liability Insurance, and such other surety and indemnity plans for itself and its Directors, Officers and Employees as from time to time approved by resolution of the Board.

The undersigned certify that the foregoing By-Laws were adopted by Resolution of the Incorporators and initial Board of Directors on the 21st day of March, 2000.

ATTEST



Secretary
NEAL WOOD, SECTY.



President
KEITH ROBERTS, PRES.