

ASSET PURCHASE AGREEMENT

Appendix 6

This **Asset Purchase Agreement** ("Agreement") is made and entered into this 24th day of September, 2007 by and between **Missouri-American Water Company**, a Missouri public utility corporation ("Buyer"), and **Paradise Valley Residents Association**, a Missouri not-for-profit corporation ("Seller").

RECITALS:

A. Seller is the homeowners association for Paradise Valley (the "Subdivision"), a subdivision located in St. Louis and Jefferson counties, Missouri, as per the following plats:

B. As part of its responsibilities, Seller owns and operates a water treatment and distribution system and provides a potable water supply to its members together with other services incident thereto (collectively, the "Business").

C. Buyer desires to acquire and Seller desires to sell substantially all of the assets of Seller relating to the Business pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants contained herein and in exchange for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

ARTICLE 1

Definitions and Related Matters

For purposes of this Agreement, the capitalized terms used herein shall have the meanings assigned to them in Schedule 1 and for purposes of this Agreement and all other documents executed in connection herewith, the rules of construction set forth in Schedule 1 shall govern.

ARTICLE 2

Purchase and Sale of Assets; Closing

2.1 Transfer and Description of Assets. Subject to and upon all other terms and conditions of this Agreement, at the Closing Date, but effective as of the Effective Time, Seller shall, for One Dollar (\$1) and other good and valuable consideration (including Buyer's assuming responsibility for operating the Business and providing potable water service to the lots in the Subdivision), sell, convey, transfer, assign and deliver to Buyer free and clear of all Encumbrances, and Buyer shall acquire from Seller, all of Seller's right, title and interest in and to all of Seller's property and assets used in the operation of the Business, including the following:

- (a) all Real Property now used and required to operate the Business;
- (b) all fire hydrants, water pipes, tanks and valves used in the Business;
- (c) all data and Records related to Seller's operation of the Business;
- (d) all Permits and all pending applications therefor, renewals thereof or exemptions therefrom, in each case to the extent assignable or transferable to Buyer, including those listed on Schedule 3.8.

(e) all of the intangible rights and property of Seller utilized by Seller in the operation of the Business.

All of the foregoing property and assets are herein referred to collectively as the "Assets".

Other than as expressly provided in this Agreement, the tangible assets being sold hereunder are being sold in their "as-is, where-is" condition, without representation or warranty by Seller, and subject to ordinary wear and tear between the date of this Agreement and the Closing Date.

2.2 Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.1 or elsewhere in this Agreement, the following assets of Seller (collectively, the "Excluded Assets") are not part of the sale and purchase contemplated hereunder, are excluded from the Assets, and shall remain the property of Seller after the Closing:

- (a) all cash, cash equivalents and short-term investments, and all accounts receivable arising prior to the Effective Time;
- (b) all insurance policies and rights thereunder;
- (c) all personnel Records and other Records that Seller is required by law to retain in its possession;
- (d) all rights in connection with and assets of the Employee Plans;
- (e) all rights of Seller under this Agreement, the Bill of Sale, and the Assignment and Assumption Agreement;
- (f) wells, well houses, pumping and treatment facilities used in the Business;
- (g) customer service lines;
- (h) roads; and
- (i) the sewer system serving the Subdivision.

2.3 Capital Improvements.

(a) At or prior to the Closing, Buyer shall construct and install all water mains and booster stations required to connect the Assets to Buyer's water distribution system (the "Capital Improvements"), at a cost not to exceed Four Hundred Thousand and 00/100 Dollars (\$400,000.00). Buyer shall construct the Capital Improvements in accordance with Buyer's specifications, and shall use commercially reasonable efforts to construct and install the Capital Improvements in a timely manner.

(b) In the event that the cost of the Capital Improvements (after credit for amounts paid pursuant to Section 5.2(a) of this Agreement) exceeds Four Hundred Thousand and 00/100 Dollars (\$400,000.00), either (i) at Closing, Seller shall, at Seller's option, pay such excess (or any portion thereof), and/or (ii) Buyer shall have the right to assess the Customer Fair Share Charge against current and future residents in Subdivision. Seller hereby unconditionally guarantees its members' punctual payment when due of their respective shares of the Customer Fair Share Charge, whether for principal, interest, fees, expenses or otherwise. Seller further agrees to pay any and all expenses (including counsel fees and expenses, whether or not litigation is commenced, and during both the trial and any appellate phases of litigation) incurred by Buyer in enforcing any rights under this provision.

2.4 Liabilities. Every Liability of Seller shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by Seller.

2.5 INTENTIONALLY DELETED.

2.6 Closing. The purchase and sale provided for in this Agreement (the "Closing") will take place at the corporate offices of Buyer located at 727 Craig Road, St. Louis, Missouri at 10:00 a.m. (local time) on the latter of (i) 1st day of the month following a period of ten (10) days after the satisfaction in full of the conditions contained in Article 5, or (ii) on such other date as mutually agreed upon by the parties. The parties shall use commercially reasonable efforts to cause the Closing to occur as soon as practical. In any event, the Closing shall be effective as of 12:01 p.m. (the "Effective Time") on the day the Closing actually occurs (the "Closing Date").

2.7 Closing Obligations.

(a) At or prior to the Closing (as the case may be), Seller shall deliver to Buyer the following documents, duly executed, if applicable:

(i) a bill of sale for all of the Assets that are tangible personal property in a form reasonable acceptable to each party (the "Bill of Sale");

(ii) an assignment of all of the Assets which are intangible personal property in a form reasonably acceptable to each party, which shall contain Buyer's undertaking and assumption of the Assumed Liabilities (the "Assignment and Assumption Agreement");

(iii) for each interest in Real Property and each easement and/or right-of-way identified on Schedule 3.4, a recordable warranty deed or such other appropriate document or instrument of transfer or approval, as the case may require, each in form and substance reasonably satisfactory to Buyer and Seller and their respective legal counsel. Notwithstanding the fact that the same may not be listed on Schedule 3.4, Seller must provide easements or other transferable property rights to Buyer for all mains used in the Business, which are not located on public rights-of-way, and must provide assignments of public rights-of-way permits with only those conditions mutually acceptable to Buyer and Seller for all mains located in municipal, County or State owned public rights-of-way;

(iv) such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Buyer, each in form and substance reasonably satisfactory to Buyer and Seller and their respective legal counsel;

(v) a certificate as to the accuracy of Seller's representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 5.1(a) and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before at Closing in accordance with Section 5.1(b);

(vi) a certificate of the secretary of Seller, dated as of the Closing Date, certifying: (A) that attached to the secretary's certificate are true copies of the duly adopted resolutions of the board of directors of Seller authorizing the execution of this Agreement and the performance of the Contemplated Transactions; and (B) that attached to the secretary's certificate is a true and complete original copy of the incumbency and signatures of the officers of Seller executing this Agreement or any agreement contemplated hereby on behalf of Seller;

(vii) a certificate of good standing issued by the Secretary of State of Missouri with respect to Seller, dated not earlier than thirty (30) days prior to Closing; and

(viii) a legal opinion of Seller's legal counsel, affirmatively opining to such matters as Buyer or its legal counsel may reasonably request, including but not limited to (A) the due authorization and execution of this Agreement by Seller and the enforceability thereof, and (B) the enforceability of the Customer Fair Share Charge of current and future members of Seller.

(b) At or prior to the Closing, Buyer shall deliver to Seller, or perform, the following, duly executed, if applicable:

- (i) the Capital Improvements;
- (ii) the Assignment and Assumption Agreement;
- (iii) a certificate as to the accuracy of Buyer's representations and warranties as of the date of this Agreement and as of the Closing in accordance with Section 5.2(a) and as to its compliance with and performance of its covenants and obligations to be performed or complied with at or before at Closing in accordance with Section 5.2(b);
- (iv) a certificate of the secretary of Buyer, dated as of the Closing Date, certifying: (A) that attached to the secretary's certificate are true copies of the duly adopted resolutions of the board of directors of Buyer authorizing the execution of this Agreement and the performance of the Contemplated Transactions; and (B) that attached to the secretary's certificate is a true and complete original copy of the incumbency and signatures of the officers of Buyer executing this Agreement or any agreement contemplated hereby on behalf of Buyer; and
- (v) a certificate of good standing issued by the Secretary of State of Missouri with respect to Buyer, dated not earlier than thirty (30) days prior to Closing.

ARTICLE 3

Representations and Warranties of Seller

Seller hereby makes the following representations and warranties to Buyer:

3.1 Organization and Good Standing. Seller is a not-for-profit corporation duly organized, validly existing and in good standing under the Laws of the State of Missouri, with full corporate power and authority to conduct the Business as it is now being conducted and to own, lease and operate its properties and the Assets.

3.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity. Seller has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder, and such action has been duly authorized by all necessary action by Seller's board of directors.

(b) Neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with or result in a violation of: (A) any provision of the Organizational Documents of Seller; or (B) any resolution adopted by the board of directors of Seller;

(ii) to Seller's Knowledge, contravene, conflict with or result in a violation of or give any Governmental Authority or other Person the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under any Laws or any Order to which Seller or any of the Assets may be subject;

(iii) to Seller's Knowledge, contravene, conflict with or result in a violation of any of the terms or requirements of or give any Governmental Authority the right to revoke, withdraw, suspend, cancel, terminate or modify any Permit or other authorization by a Governmental Authority that is held by Seller or that otherwise relates to the Business or any of the Assets;

(iv) to Seller's Knowledge, contravene, conflict with or result in a violation or breach of any provision of, require the Consent of any Person, or give any Person the right to declare a default or exercise any remedy under or to accelerate the maturity or performance of or to cancel, terminate or modify any Contract, indenture, mortgage, note, lease or other instrument or document of which Seller is a party or by which any of the Assets are bound; or

(v) result in the imposition or creation of any Encumbrance upon or with respect to any of the Assets, except as contemplated by this Agreement.

3.3 Assets. Seller has good and marketable title to all of the Assets. The Assets are free and clear of any and all Encumbrances whatsoever. None of the Assets are leased or on loan by Seller to any third party. The Assets constitute all property necessary for the operation of the Business in the manner currently being operated by Seller.

3.4 Real Property; Easements. To Seller's Knowledge, Seller has good and marketable title to those parcels of real property and those easements or rights-of-way used in the operation of the Business, together with all fixtures, fittings, buildings, structures and other improvements erected therein or thereon (the "Real Property").

3.5 INTENTIONALLY OMITTED.

3.6 Contracts. Set forth on Schedule 3.6 is a complete and correct list of all Contracts related to the Business to which Seller is a party. Seller has delivered or caused to be delivered to Buyer correct and complete copies of each Contract (including all amendments thereto), a description of the terms of each Contract which is not in writing, and all documents affecting the rights or obligations of any party thereto. The Contracts have not been modified or amended except as disclosed on Schedule 3.6. To Seller's Knowledge: (i) each Contract is valid and enforceable against Seller in accordance with its terms and is in full force and effect, and each Contract constitutes a legal, valid and binding obligation of the other parties thereto, enforceable against them in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity; (ii) no default and no event which, with the giving of notice, lapse of time, or both, would be a default has occurred under any Contract; (iii) there are no setoffs, counterclaims or disputes existing or asserted with respect to such Contracts, and Seller has not made any agreement with any other party thereto for any deduction from or increase to any amount payable thereunder; (iv) there are no facts, events or occurrences which in any way impair the validity or enforcement of any Contract or tend to reduce or increase the amounts payable thereunder; (v) Seller has not, directly or indirectly, by operation of law or otherwise, transferred or assigned all or any part of its right, title or interest in and to any Contract to any other Person; and (vi) there are no Proceedings pending nor threatened against any party to any of the Contracts which relate to the subject matter of the Contracts.

3.7 Environmental Matters. To Seller's Knowledge, except as previously disclosed to Buyer:

(a) Except as set forth on Schedule 3.7(a), Seller is and at all times has been in full compliance with and has not been and is not in violation of or liable under any applicable Environmental Law. Seller has no basis to expect nor has it received any actual or threatened Order, notice or other communication from any Governmental Authority or private citizen acting in the public interest of any actual or potential violation or failure to comply with any Environmental Law or of any actual or threatened obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest or with respect to any property, the Real Property or other real property at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(b) There are no pending or threatened claims, Encumbrances or other restrictions of any nature, resulting from any Environmental, Health and Safety Liabilities or arising under or pursuant to any Environmental Law with respect to or affecting the Real Property or any other properties and assets (whether real, personal or mixed) in which Seller has or had an interest.

(c) Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has received any citation, directive, inquiry, notice, Order, summons, warning or other communication that relates to Hazardous Activity, Hazardous Materials or any alleged, actual or potential violation or failure to comply with any Environmental Law or of any alleged, actual or potential obligation to undertake or bear the cost of any Environmental, Health and Safety Liabilities with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest or with respect to any property to which Hazardous Materials generated, manufactured, refined, transferred, imported, used or processed by Seller or any other Person for whose conduct it is or may be held responsible, have been transported, treated, stored, handled, transferred, disposed, recycled or received.

(d) Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has any Environmental, Health and Safety Liabilities with respect to the Real Property or with respect to any other properties and assets (whether real, personal or mixed) in which Seller (or any predecessor) has or has had an interest or at any property geologically or hydrologically adjoining the Real Property or any such other property or assets that could reasonably be expected to have a material adverse effect thereon.

(e) There are no Hazardous Materials present on or in the Environment at the Real Property or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent and deposited or located in land, water, sumps or any other part of the Real Property or such adjoining property or incorporated into any structure therein or thereon. Neither Seller nor any other Person for whose conduct it is or may be held to be responsible has permitted or conducted, or is aware of, any Hazardous Activity conducted with respect to the Real Property or any other properties or assets (whether real, personal or mixed) in which Seller has or has had an interest except in material compliance with all applicable Environmental Laws.

(f) There has been no Release or threat of Release, of any Hazardous Materials at or from the Real Property or from or by any other properties and assets (whether real, personal or mixed) in which Seller has or has had an interest, or any geologically or hydrologically adjoining property, whether by Seller or any other Person.

(g) Seller has delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests or monitoring possessed or initiated by Seller pertaining to Hazardous Materials or Hazardous Activities in, on or under the Real Property, or concerning compliance by Seller or any other Person for whose conduct it is or may be held to be responsible, with Environmental Laws, said reports, studies, etc. to include without limitation, any and all Phase I environmental reports now or hereafter in the possession or control of Seller.

3.8 Permits. Set forth on Schedule 3.8 is a complete and correct list of all Permits used by Seller in the operation of the Business. To Seller's Knowledge, such Permits constitute all Permits necessary for the operation of the Business and all such Permits are valid and subsisting and in full force and effect. There exists no fact or circumstance which is reasonably likely to cause any Permit to be revoked or materially altered after the Closing Date.

3.9 Insurance. To Seller's Knowledge, Seller maintains and has maintained appropriate insurance necessary for the full protection of all of its assets, properties, business, operations, products and services. All such policies are in full force and effect and Seller will use commercially reasonable efforts to cause such policies to be outstanding and in full force and effect at the Closing and immediately following consummation of the Contemplated Transactions and the premiums therefor have been paid in

full as they become due and payable. There are no pending Proceedings arising out of, based upon or with respect to any of such policies of insurance and to Seller's Knowledge, no basis for any such Proceedings exists which will result in an Encumbrance against the Assets. To Seller's Knowledge, Seller is not in default with respect to any provisions contained in any such insurance policies and no insurance provider is in default with respect to such insurance policies.

3.10 No Material Adverse Change. Since August 30, 2005, to Seller's knowledge, there have been no material adverse changes in the Business or Assets nor has there been any material adverse change in the relationships Seller maintains with its customers, employees and Governmental Authorities nor are there any events, transactions or other facts which exist or have occurred and which are likely to have an adverse effect on the foregoing.

3.11 Conduct of Business In Ordinary Course. Since August 30, 2005, Seller has operated the Business only in the ordinary course of business. Without limitation of the foregoing, since such date, Seller has not entered into, amended, terminated or received notice of termination of any Contract or Permit.

3.12 Litigation and Proceedings. Other than as set forth on Schedule 3.12 hereto, there are no Proceedings pending or threatened against Seller or directly affecting any of the Assets or the Business by or on account of any Person or before any Governmental Authority and to Seller's Knowledge, there is no valid basis for any such Proceeding. Seller has not been charged with, nor to Seller's Knowledge, is it under investigation with respect to any charge which has not been resolved to its favor concerning any violation of any applicable Law with respect to any of the Assets or the Business and there is no valid basis for any such charge or investigation. No judgment, Order, writ, injunction, decree, assessment or other command of any Governmental Authority affecting Seller or any of the Assets or the Business has been entered which is presently in effect. There is no Proceeding pending or to Seller's Knowledge, threatened which challenges the validity of this Agreement or the Contemplated Transactions or otherwise seeks to prevent, directly or indirectly, the consummation of the Contemplated Transactions, nor is there any valid basis for any such Proceeding.

3.13 Compliance with Laws. To Seller's Knowledge, Seller is in compliance with all Laws applicable to the Assets and the operation of the Business and has not committed any violation of any Law applicable to the Assets and/or operation of the Business. The Assets, in their current condition, are capable of complying with all Laws.

3.14 Material Omissions. Independent of and in addition to the foregoing representations and warranties contained in this Article 3, neither this Agreement nor any written statement, list, certificate or other information furnished by or on behalf of Seller in response to specific written requests made by Buyer or Buyer's representatives or attorneys contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE 4

Representations and Warranties of Buyer

Buyer hereby makes the following representations and warranties to Seller:

4.1 Organization. Buyer is a duly organized and validly existing corporation in good standing under the Laws of Missouri and has the power and authority to own, lease and operate its assets and properties and to conduct its business as now being conducted.

4.2 Enforcement; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Buyer has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder, and such action has been duly authorized by all necessary action by Buyer's board of directors.

(b) Neither the execution and delivery of this Agreement, nor the consummation of the Contemplated Transactions nor compliance by Buyer with any of the provisions hereof will result in: (i) a violation of or a conflict with any provision of the Organizational Documents of Buyer; (ii) a material breach of or default under any term, condition or provision of any Contract to which Buyer is a party, or an event which, with the giving of notice, lapse of time, or both, would result in any such breach or default; (iii) a material violation of any applicable Law, Order, judgment, writ, injunction, decree or award or any event which, with the giving of notice, lapse of time, or both, would result in any such violation; or (iv) any Person having the right to enjoin, rescind or otherwise prevent or impede the Contemplated Transactions or to obtain damages from Seller or to obtain any other judicial or administrative relief.

4.3 Litigation and Proceedings. There is no Proceeding pending nor, to the Knowledge of Buyer, threatened which challenges the validity of this Agreement or the Contemplated Transactions or otherwise seeks to prevent, directly or indirectly, the consummation of such transactions, nor, to the Knowledge of Buyer, is there a valid basis for any such Proceeding.

ARTICLE 5

Conditions Precedent to Closing

5.1 Conditions Precedent to the Obligations of Buyer. Buyer's obligations to consummate the Contemplated Transactions are subject to the satisfaction in full, unless expressly waived in writing by Buyer, of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Seller contained in Article 3 is true, correct and accurate from the date of this Agreement and as of the Closing Date shall be true, correct and accurate as though restated on and as of such date (except in the case of any representation and warranty that by its terms is made as of a date specified therein, which shall be accurate as of such date);

(b) Covenants. Seller shall have performed and complied with all covenants required by this Agreement to be performed or complied with by them prior to or at the Closing;

(c) Proceedings. No Order shall be in effect and no Proceeding by any Person shall be threatened or pending before any Governmental Authority, or before any arbitrator, wherein an unfavorable Order would: (i) prevent consummation of the Contemplated Transactions; (ii) have a likelihood of causing the Contemplated Transactions to be rescinded following consummation; (iii) adversely affect the right of Buyer to own any of the Assets; or (iv) adversely affect the business prospects, value or condition of any of the Assets or the Business;

(d) Approvals. (i) By December 31, 2007, Buyer shall have obtained all applicable Consents and approvals from third parties, including without limitation any Governmental Authority, and those Consents required for Buyer's assumption of any Assumed Contract and (ii) any waiting periods under existing Laws, and all extensions thereof, the passing of which is necessary to consummate the Contemplated Transactions, shall have expired. Without limiting the foregoing, by December 31, 2007, Buyer shall have received (i) a certificate of convenience and necessity authorizing Buyer to provide water services to lot owners in the Subdivision, (ii) all other necessary regulatory approvals of its tariffs and of rates, and the necessary ratebase to support such rates, to be effective as of the Closing Date, and (iii) approval from the Missouri Department of Natural Resources that the water storage as currently constructed would be sufficient upon the Closing of the Contemplated Transactions;

(e) Closing Deliveries. Seller shall have delivered to Buyer the Closing Deliveries set forth in Section 2.7(a);

(f) Due Diligence. Buyer shall be satisfied, in its sole and absolute discretion, with the results of its due diligence review of the Business, the Assets and the Seller, including without limitation, satisfaction with the results of any environmental assessment performed with respect to the Real Property or the Assets. In the event Buyer is dissatisfied with any such results, Buyer may, by written notice to Seller on or before 5:00 p.m. Central Time on the date that is three weeks after the date hereof, terminate this Agreement, in which event the parties shall be released from all further obligations hereunder.

(g) No Adverse Change. Buyer has determined that there has not been any material adverse change in the Business, the Assets, financial condition or business prospects of Seller and that there is no adverse change in the relationships maintained by Seller with its employees, suppliers, customers or Governmental Authorities;

(h) Installation of Capital Improvements. Buyer shall have completed the construction and installation of the Capital Improvements; and

(i) Installation of Meter Sets. Each member shall have installed, at their sole cost and expense, meter sets in accordance with Buyer's specifications; provided, however, Buyer agrees that, notwithstanding anything to the contrary in such specifications, such meters may be installed by the Members either in exterior meter pits or inside their homes. In the event that Seller, in its sole discretion, decides that any number of current members object to this provision, Seller may, by written notice to Seller on or before 5:00 p.m. Central Time on the date that is three (3) weeks after the date hereof, terminate this Agreement, in which event the parties shall be released from all further obligations hereunder. In the event that each member has not installed the required meter set, Seller shall have the right to guarantee, in a form acceptable to Buyer, the payment and collection of the estimated lost water revenue from each such member; Seller's exercise of this right shall satisfy this condition precedent.

5.2 Conditions Precedent to Obligations of Seller. The Seller's obligation to consummate the Contemplated Transactions is subject to the satisfaction in full, unless expressly waived in writing by Seller, of each of the following conditions:

(a) Acceptable Bids. Buyer shall obtain one or more bids for the Capital Improvements to be constructed hereunder. Upon execution of this Agreement, Seller shall pay for the engineering and other related work necessary for Buyer to prepare a request for proposal for the Capital Improvements in an amount not to exceed thirty thousand dollars (\$30,000). Before accepting any such bid, Buyer shall first obtain approval from Seller, which shall be in Seller's sole discretion. Seller shall provide written notice to Buyer of its decision to approve or deny such bids within thirty (30) days of receiving copies of such bids. If Seller shall refuse to approve said bids, such refusal shall constitute a termination of this Agreement, and the parties shall have no further obligations hereunder.

(b) Representations and Warranties. Each of the representations and warranties of Buyer contained in Article 4 is true, correct and accurate as of the date of this Agreement and as of the Closing Date shall be true, correct and accurate as though restated on and as of such date (except in the case of any representation and warranty that by its terms is made as of a date specified therein, which shall be accurate as of such date);

(c) Covenants. Buyer shall have performed and complied with all covenants required by this Agreement to be performed or complied with by Buyer prior to or at the Closing;

(d) Proceedings. No Order shall be in effect and no Proceeding by any Person shall be threatened or pending before any Governmental Authority or before any arbitrator wherein an unfavorable Order would: (i) prevent consummation of the Contemplated Transactions; or (ii) have a likelihood of causing the Contemplated Transactions to be rescinded following consummation; and

(e) Closing Deliveries. The Buyer shall have delivered to Seller the Closing Deliveries set forth in Section 2.7(b).

5.3 All Reasonable Efforts. Seller will use commercially reasonable efforts to satisfy each of the conditions for Closing of the Buyer set forth in Section 5.1 above and the Buyer will use commercially reasonable efforts to satisfy each of the conditions for Closing of Seller set forth in Section 5.2 above.

ARTICLE 6

Covenants and Special Agreements

6.1 Certain Covenants of All Parties Prior to Closing.

(a) INTENTIONALLY OMITTED.

(b) INTENTIONALLY OMITTED.

(c) Cooperation. Any notices or certifications given under this Agreement or any related agreement shall be given in good faith without any intention to unfairly impede or delay the other party. Buyer and Seller shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement including, without limitation, actions required to be taken with respect to obtaining any applicable regulatory approval of the Contemplated Transactions and Buyer and Seller shall execute such other documents as may be necessary and desirable to the implementation and consummation of this Agreement. Each party agrees to use all reasonable efforts to consummate the Contemplated Transactions including, without limitation, doing all things reasonably necessary to obtain the requisite regulatory approval.

(d) Certain Notifications. At all times prior to the Closing Date, each party agrees to promptly notify the others in writing of the occurrence of any event which will result in the failure of any of the conditions contained in Article 5 to be satisfied.

(e) No Inconsistent Action. No party shall take any action inconsistent with its respective obligations under this Agreement or any of the Contemplated Transactions.

6.2 Covenants of Seller Prior to Closing. Seller covenants and agrees that during the period from the date hereof until Closing:

(a) Non-Solicitation. Unless and until such time as this Agreement is terminated pursuant to Article 8, Seller shall not, and will cause each officer, director and agent not to, directly or indirectly: (i) submit, solicit, initiate, encourage or discuss any proposal or offer from any Person relating to any sale of all or any portion of the Assets or a sublease or assignment of any lease or any similar transaction involving Seller and the Business or the Assets; (ii) enter into any agreement or commitment related to any such transaction; or (iii) furnish any information with respect to or assist or participate in or facilitate in any other manner any effort to attempt by any Person to do or seek any of the foregoing. Seller shall notify Buyer immediately if any Person makes any proposal, offer, inquiry or contact with respect to any of the foregoing.

(b) Access. Between the date of this Agreement and the Closing Date, and upon reasonable prior notice by Buyer, Seller shall: (i) furnish Buyer and its financial and legal advisors with copies of all such Contracts, books and records and other existing documents and data as Buyer may reasonably request; (ii) furnish Buyer and its financial and legal advisors with such additional financial, operating and other data and information as Buyer may reasonably request; (iii) permit Buyer or its representatives to conduct such physical inspections and environmental audits of the Real Property, as requested by Buyer; and (iv) permit Buyer or its representatives to conduct interviews of employees of Seller.

(c) Ordinary Course. Seller shall carry on the operation of the Business in the ordinary course of business, consistent with prior practice, not introduce any materially new method of management or operation, use their reasonable efforts to preserve the Business and conserve the goodwill and relationships of Seller's customers, suppliers, Governmental Authorities and others having business relations with it and continue to operate the Business during the normal business hours consistent with past practice. Seller shall not engage in any activity or transaction during the term of this Agreement which is inconsistent with the terms of this Agreement.

(d) Liens; Encumbrances. Seller shall not enter into or assume any mortgage, pledge, security agreement or other title retention agreement or permit any Encumbrance to attach to any of the Assets, whether now owned or hereafter acquired.

(e) Further Covenants.

(i) Reports. Seller shall duly and timely file all reports required to be filed with any Governmental Authority and will promptly pay when due all Taxes, assessments and governmental charges including interest and penalties levied or assessed, unless diligently contested in good faith by appropriate Proceedings;

(ii) Condition of Property. Consistent with past practice, Seller shall maintain and keep the Assets in substantially the same condition as of the date hereof, normal wear and tear excepted;

(iii) Insurance. Seller shall maintain in full force and effect all policies of insurance now in effect;

(iv) No Breach or Default of Contracts. Seller shall not do any act or omit any act or permit any omission to act which will cause a breach or default by Seller of any Contract;

(v) Supplies. Seller shall keep supplies at a level which is sufficient to operate the Business in accordance with past practice;

(vi) Contracts. Seller shall not enter into any Contract other than in the ordinary course of business; and

(vii) Related Person Transactions. Seller shall not enter into any transaction with any Related Person.

6.3 Certain Post-Closing Covenants of Seller.

(a) Seller hereby agrees not to oppose the filing by Buyer of any future rate increase with the Missouri Public Service Commission that allows a fair return on Buyer's rate base, and a recovery of prudently incurred expenses; provided, however, nothing contained herein shall be deemed a covenant of any of Seller's members, who shall have the right to make such objections as they may deem appropriate.

(b) Seller shall pay in a timely manner all Taxes resulting from or payable in connection with the sale of the Assets pursuant to this Agreement, regardless of the Person on whom such Taxes are imposed.

(c) Seller shall pay, or make adequate provisions for the payment, in full of all of the Retained Liabilities and other Liabilities of Seller under this Agreement.

(d) Seller hereby agrees to cooperate with Buyer to ensure a proper transition of all customers with respect to billing and customer service activities.

(e) Seller hereby acknowledges that Buyer must comply with all provision of its tariffs as filed with and approved by the Missouri Public Service Commission.

(f) Contemporaneously with the Closing and the connection of the homes in the Subdivision to the Buyer's water system, Seller shall take all actions necessary to cause the wells currently providing water to the Business to be disconnected from the Assets. Such actions shall be undertaken so as to be in compliance with all applicable Laws. As soon as possible thereafter, and in any event within one year after Closing, Seller shall cause the wells to properly capped, in accordance with all Laws. All such actions shall be at Seller's sole cost and expense. Seller shall have the sole responsibility for removing the treatment facilities currently used from service and closure of such treatment facilities.

ARTICLE 7

Indemnification

7.1 Survival of Representations and Warranties. All material representations and warranties of each party hereto given in this Agreement and/or any Transaction Document delivered pursuant to this Agreement shall survive the Closing for a period of two (2) years.

ARTICLE 8

Termination

8.1 Termination and Abandonment. This Agreement may be terminated and abandoned at any time prior to the Closing Date by mutual written consent of Buyer and Seller.

8.2 Effect of Termination. The right of each party to terminate this Agreement under Section 8.1 is in addition to any other rights such party may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement will terminate, except that the obligations set forth in 9.9 ("Legal Fees; Costs"); and all other covenants and agreements which by their terms continue after the termination of this Agreement will survive; provided, however, that if this Agreement is terminated by a party because of the breach of the Agreement by another party or because one (1) or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 9

General Provisions

9.1 Amendment and Modification. No amendment, modification, supplement, termination, consent or waiver of any provision of this Agreement, nor consent to any departure therefrom, will in any event be effective unless the same is in writing and is signed by the parties. Any waiver of any provision of this Agreement and any consent to any departure from the terms of any provision of this Agreement is to be effective only in the specific instance and for the specific purpose for which given.

9.2 Assignments. Seller may not assign or transfer any of its rights or obligations under this Agreement to any other Person without the prior written consent of Buyer. Buyer may assign its rights and obligations under this Agreement to any Related Person or successor in interest without the consent of Seller.

9.3 Captions. Captions contained in this Agreement and any table of contents preceding this Agreement have been inserted herein only as a matter of convenience and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

9.4 Counterparts: Facsimile. This Agreement may be executed by the parties hereto on any number of separate counterparts, and all such counterparts so executed constitute one agreement binding on all the parties hereto notwithstanding that all the parties hereto are not signatories to the same counterpart. For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or telecopier is to be treated as an original document. The signature of any party thereon is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the

request of any party hereto, any facsimile or telecopy document is to be re-executed in original form by the parties who executed the facsimile or telecopy document. No party hereto may raise the use of a facsimile machine or telecopier or the fact that any signature was transmitted through the use of a facsimile or telecopier machine as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Section.

9.5 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, letters of intent, understandings, negotiations and discussions of the parties hereto, whether oral or written, including without limitation that certain Term Sheet, dated September 23, 2005, executed by the parties.

9.6 Exhibits and Schedules. All of the Exhibits and Schedules attached to this Agreement are deemed incorporated herein by reference.

9.7 Failure or Delay. Except as otherwise provided by this Agreement, no failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or privilege hereunder operates as a waiver thereof; nor does any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. No notice to or demand on any party hereto in any case entitles such party to any other or further notice or demand in similar or other circumstances.

9.8 Governing Law. This Agreement and the rights and obligations of the parties hereunder are to be governed by and construed and interpreted in accordance with the Laws of the State of Missouri applicable to contracts made and to be performed wholly within Missouri, without regard to choice or conflict of laws rules. In the event of any litigation or claim regarding this Agreement, the venue for such action shall be in St. Louis County, Missouri.

9.9 Legal Fees, Costs. All legal, consulting and advisory fees and other costs and expenses incurred in connection with this Agreement and the Contemplated Transactions are to be paid by the party incurring such costs and expenses; provided, however, in the event litigation is instituted by either party to enforce or remedy a breach of any provision of this Agreement, in addition to any other relief therein awarded, the prevailing party shall be entitled to judgment for reasonable attorney's fees and litigation expenses.

9.10 Notices. All notices, consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered: (i) when delivered in person, (ii) three (3) business days after deposited in the United States mail, first class postage prepaid, (iii) in the case of telegraph or overnight courier services, one (1) business day after delivery to the telegraph company or overnight courier service with payment provided, or (iv) in the case of telex or telecopy or facsimile, when sent, verification received, in each case addressed as follows:

if to Seller:

Attn: President
Paradise Valley Residents Association
PO Box 775
High Ridge, Missouri 63049

with a copy (which shall not constitute notice) to:

Harold A. Tzinberg
Stinson Morrison Hecker LLP
168 North Meramec, Suite 400
St. Louis, Missouri 63105-3763

If to Buyer:

Attn: General Counsel
American Water – Central Region
727 Craig Road
St. Louis, Missouri 63141

or to such other address as any party hereto may designate by notice to the other parties in accordance with the terms of this Section.

9.11 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction is, as to such jurisdiction, ineffective to the extent of any such prohibition, unenforceability or nonauthorization without invalidating the remaining provisions hereof, or affecting the validity, enforceability or legality of such provision in any other jurisdiction, unless the ineffectiveness of such provision would result in such a material change as to cause completion of the Contemplated Transactions to be unreasonable.

9.12 Specific Performance and Injunctive Relief. The parties hereto recognize that if any or all of them fail to perform, observe or discharge any of their respective obligations under this Agreement, a remedy at law may not provide adequate relief to the other parties hereto. Therefore, in addition to any other remedy provided for in this Agreement or under applicable Law, any party hereto may demand specific performance of this Agreement, and such party shall be entitled to temporary and permanent injunctive relief, in a court of competent jurisdiction at any time when any of the other parties hereto fail to comply with any of the provisions of this Agreement applicable to such party. To the extent permitted by applicable Law, all parties hereto hereby irrevocably waive any defense based on the adequacy of a remedy at law which might be asserted as a bar to such party's remedy of specific performance or injunctive relief.

9.13 Successors and Assigns. Subject to Section 9.2, all provisions of this Agreement are binding upon, inure to the benefit of and are enforceable by or against the parties hereto and their respective heirs, executors, administrators or other legal representatives and permitted successors and assigns.

9.14 No Third-Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and no other Person has any right, benefit, priority or interest under, or because of the existence of, this Agreement.

[The remainder of this page is intentionally left blank. The next page is the signature page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Missouri-American Water Company, a Missouri
public utility corporation

By: Terry L. Gloriod
Terry L. Gloriod, President

Paradise Valley Residents Association, a
Missouri not-for-profit corporation

By: _____
Kate Mercurio, President

By: _____
Kate Mercurio

By: _____
Jeff Burke

By: _____
Roger Shannon

By: _____
Doug Draper

By: _____
Dick Mayer

Being all the directors of said corporation

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Missouri-American Water Company, a Missouri public utility corporation

By: Terry L. Gloriod, President

Paradise Valley Residents Association, a Missouri not-for-profit corporation

By: Kate Mercurio
Kate Mercurio, President

By: Kate Mercurio
Kate Mercurio

By: Jeff Burke
Jeff Burke

By: Roger D. Shannon
Roger Shannon

By: Doug Draper
Doug Draper

By: Dick Mayer
Dick Mayer

Being all the directors of said corporation

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**Missouri-American Water Company, a Missouri
public utility corporation**

By: _____
Terry L. Gloriod, President

**Paradise Valley Residents Association, a
Missouri not-for-profit corporation**

By: _____
Kate Mercurio, President

By: _____
Kate Mercurio

By: _____
Jeff Burke

By: _____
Roger Shannon

By: _____
Doug Draper

By: _____
Dick Mayer

Being all the directors of said corporation

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**Missouri-American Water Company, a Missouri
public utility corporation**

**Paradise Valley Residents Association, a
Missouri not-for-profit corporation**

By: _____
Terry L. Gloriod, President

By: _____
Kate Mercurio, President

By: _____
Kate Mercurio

By: _____
Jeff Burke

By: _____
Roger Shannon

By: _____
Doug Draper

By: _____
Dick Mayer

Being all the directors of said corporation

SCHEDULE 1 Definitions

"Assets" as defined in Section 2.1.

"Adjustment Amount" as defined in Section 2.8.

"Agreement" as defined in the introductory paragraph.

"Assignment and Assumption Agreement" as defined in Section 2.7(a)(ii).

"Assumed Contracts" as defined in Section 2.1(c).

"Assumed Liabilities" as defined in Section 2.4.

"Bill of Sale" as defined in Section 2.7(a)(i).

"Business" as defined in the Recitals.

"Business Days" means any day other than (i) Saturday or Sunday, or (ii) any other day on which governmental offices in the State of Missouri are permitted or required to be closed.

"Buyer" as defined in the introductory paragraph.

"Capital Improvements" as defined in Section 6.4.

"Claimant" as defined in Section 7.5(a).

"Closing" as defined in Section 2.6.

"Closing Date" as defined in Section 2.6.

"Confidential Information" means (i) information not available to the general public concerning the business and financial affairs with respect to a party hereto, and (ii) analyses, compilations, forecasts, studies and other documents prepared on the basis of such information by the parties or their agents, representatives, any Related Person, employees or consultants.

"Consent" means any approval, consent, ratification, waiver or other authorization.

"Contemplated Transactions" means all of the transactions contemplated by this Agreement and the Transaction Documents.

"Contract" means any agreement, contract, obligation, promise or undertaking (whether written or oral and whether express or implied), whether or not legally binding.

"Customer Fair Share Charge" shall mean a contribution in aid of construction to be paid to Buyer by current and future lot owners in the Subdivision. The amount of the Customer Fair Share Charge will be equal to the amount by which the cost of the Capital Improvements under Section 2.3(b) exceeds Four Hundred Thousand and 00/100 Dollars (\$400,000.00) (less any amount paid by Seller in accordance with Section 2.3(b)), plus interest of ten percent (10%) per annum beginning on the Closing Date. The Customer Fair Share Charge shall be paid as follows:

(i) Each current owner shall pay Fifteen Dollars (\$15) per month. As used herein, the term "current owner" shall mean all lot owners in the Subdivision whose dwelling is connected to the Assets for the purposes of obtaining water service as of the Closing Date.

(ii) Each future owner shall pay a lump sum payment in the amount of One Thousand Five Hundred Fifty Dollars (\$1,550) to be assessed at the time such future owner connects to the Assets for purposes of obtaining water service. As used herein, the term "future owners" shall mean

all future lot owners in the Subdivision who will be making a new physical connection to the Assets for the purpose of obtaining water service after the Closing Date.

(iii) When Buyer has fully recovered the Customer Fair Share Charge, no further assessments will be made against any member, whether current or future.

"Damages" as defined in Section 7.2.

"Effective Time" as defined in Section 2.6.

"Employee Plans" means any plan, program, arrangement, practice or Contract that provides benefits or compensation to or on behalf of employees or former employees, including such plans governed by the Employee Retirement Income Security Act.

"Encumbrance" means any charge, claim, community property interest, condition, easement, equitable interest, lien, mortgage, option, pledge, security interest, right of first refusal, right of way, servitude or restriction of any kind, including any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership, or any repayment obligation under any grant.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life and any other environmental medium or natural resource.

"Environmental, Health and Safety Liabilities" means any cost, damages, expense, liability, obligation or other responsibility arising from or under Environmental Law or Occupational Safety and Health Law and consisting of or relating to:

(a) Any environmental, health or safety matters or conditions (including on-site or off-site contamination, occupational safety and health and regulation of chemical substances or products);

(b) Fines, penalties, judgments, awards, settlements, legal or administrative proceedings, damages, losses, claims, demands and response, investigative, remedial or inspection costs and expenses arising under Environmental Law or Occupational Safety and Health Law;

(c) Financial responsibility under Environmental Law or Occupational Safety and Health Law for cleanup costs or corrective action, including any investigation, cleanup, removal, containment or other remediation or response actions ("Cleanup") required by applicable Environmental Law or Occupational Safety and Health Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person) and for any natural resource damages; or

(d) Any other compliance, corrective, investigative or remedial measures required under Environmental Law or Occupational Safety and Health Law.

The terms "removal," "remedial," and "response action," include the types of activities covered by the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA").

"Environmental Law" means any Law that requires or relates to:

(a) Advising appropriate authorities, employees and the public of intended or actual releases of pollutants or hazardous substances or materials, violations of discharge limits or other prohibitions and of the commencements of activities, such as resource extraction or construction, that could have significant impact on the Environment;

(b) Preventing or reducing to acceptable levels the release of pollutants or hazardous substances or materials into the Environment;

(c) Reducing the quantities, preventing the release or minimizing the hazardous characteristics of wastes that are generated;

(d) Assuring that products are designed, formulated, packaged and used so that they do not present unreasonable risks to human health or the Environment when used or disposed of;

(e) Protecting resources, species or ecological amenities;

(f) Reducing to acceptable levels the risks inherent in the transportation of hazardous substances, pollutants, oil or other potentially harmful substances;

(g) Cleaning up pollutants that have been released, preventing the threat of release or paying the costs of such clean up or prevention; or

(h) Making responsible parties pay private parties, or groups of them, for damages done to their health or the Environment, or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

"Excluded Assets" as defined in Section 2.2.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Governmental Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, applied on a basis consistent with prior periods.

"Governmental Authority(ies)" means any:

(a) Nation, state, county, city, town, village, district or other jurisdiction of any nature;

(b) Federal, state, local, municipal, foreign or other government;

(c) Governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal);

(d) Multi-national organization or body; or

(e) Body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Hazardous Activity" means the distribution, generation, handling, importing, management, manufacturing, processing, production, refinement, Release, storage, transfer, transportation, treatment or use (including any withdrawal or other use of groundwater) of Hazardous Materials in, on, under, about or from the Facilities or any part thereof into the Environment, and any other act, business, operation or thing that increases the danger or risk of danger, or poses an unreasonable risk of harm to persons or property on or off the Facilities, or that may affect the value of the Facilities or Seller.

"Hazardous Materials" means any waste or other substance that is listed, defined, designated or classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Law, including any admixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

"Indemnifying Party" as defined in Section 7.5(a).

"Knowledge" means an individual will be deemed to have "Knowledge" of a particular fact or other matter if such individual is actually aware of such fact or other matter. With respect to the Seller, the

Seller shall only be deemed to have Knowledge if any of Seller's board members or the system operator is actually aware of the fact or matter at issue.

"Law" means any law, rule, regulation or ordinance of any federal, foreign, state or local Governmental Authority.

"Liability" with respect to any Person any liability or obligation of such Person for any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise and whether or not the same is required to be accrued on the financial statements of such Person.

"Occupational Safety and Health Law" means any Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (including those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

"Order" means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

"Organizational Documents" means the articles or certificate of incorporation and the bylaws of a corporation and any amendment thereto.

"Permit" means any approval, consent, license, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union or other entity or Governmental Authority.

"Proceeding" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator.

"Real Property" as defined in Section 3.4.

"Records" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Related Person" with respect to a particular individual, means:

- (a) Each other member of such individual's Family (as hereinafter defined);
- (b) Any Person that is directly or indirectly controlled by such individual or one or more members of such individual's Family;
- (c) Any Person in which such individual or members of such individual's Family hold (individually or in the aggregate) a Material Interest; and
- (d) Any Person with respect to which such individual or one or more members of such individual's Family serves as a director, officer, partner, executor or trustee (or in a similar capacity).

With respect to a specified Person other than an individual:

- (e) Any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person;

- (f) Any Person that holds a Material Interest in such specified Person;
- (g) Each Person that serves as a director, officer, partner, executor or trustee of such specified Person (or in a similar capacity);
- (h) Any Person in which such specified Person holds a Material Interest;
- (i) Any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity); and
- (j) Any Related Person of any individual described in clause (b) or (c).

For purposes of this definition, (i) the "Family" of an individual includes (A) the individual, (B) the individual's spouse, (C) any other natural person who is related to the individual or the individual's spouse within the second degree, and (D) any other natural person who resides with such individual; and (ii) "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of voting securities or other voting interests representing at least five percent (5%) of the outstanding equity securities or equity interests in a Person.

"Release" means any spilling, leaking, emitting, discharging, depositing, escaping, leaching, dumping or other releasing into the Environment, whether intentional or unintentional.

"Seller" shall have the meaning given that term in the introductory paragraph and for purposes of this Agreement and all other documents executed in connection herewith, shall include any Subsidiary of Seller.

"Tax" means all taxes, charges, withholdings, fees, levies, penalties, additions, interest or other assessments, including, without limitation, income, gross receipts, excise, property, sales, employment, withholding, social security, occupation, use, service, service use, license, payroll, franchise, transfer and recording taxes, fees and charges, windfall profits, severance, customs, import, export, employment or similar taxes, charges, fees, levies or other assessments, imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined or any other basis.

"Tangible Personal Property" means all machinery, equipment, tools, furniture, office equipment, computer hardware, supplies (including chemicals and spare parts), materials, vehicles and other items of tangible personal property of every kind owned or leased by Seller (wherever located and whether or not carried on Seller's books), together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof, and all maintenance records and other documents relating thereto.

"Transaction Documents" means this Agreement, the Bill of Sale, the Assignment and Assumption Agreement and all other documents, certificates, assignments and agreements executed and/or delivered in connection with this Agreement in order to consummate the Contemplated Transactions, as the same may be amended, restated, modified or otherwise replaced by mutual agreement from time to time.

Rules of Construction

For purposes of this Agreement and the other documents executed in connection herewith, the following rules of construction shall apply, unless specifically indicated to the contrary: (i) wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter; (ii) the term "or" is not exclusive; (iii) the term "including" (or any form thereof) shall not be limiting or exclusive; (iv) all references to statutes and related regulations shall include any amendments of same and any successor statutes and regulations; (v) all references in this Agreement or in the Schedules to this Agreement to sections, schedules, exhibits and attachments shall refer to the corresponding sections, schedules, exhibits and attachments of or to this Agreement; and

(vi) all references to any instruments or agreements, including references to any of the documents executed in connection herewith, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof.