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AREA CODE 573
TELEPHONE 635-7166
FACSIMILE 635-3847

March 21, 1997

Mr. Cecil I. Wright
Executive Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Ozark Shores Water Company

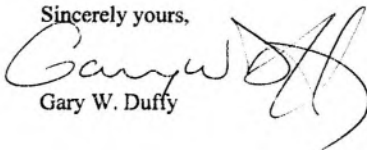
Dear Mr. Wright:

Enclosed for filing with your office on behalf of Ozark Shores Water Company please find an original and fourteen copies of an Application. The application seeks permission for a service area for Ozark Shores Water Company to provide wholesale water service to Public Water Supply District No. 2 of Miller County, and approval of an agreement between those two parties for the provision of water service as both a rate schedule and a territorial agreement.

Because Ozark Shores is seeking approval of a territorial agreement, a check payable to the Director of Revenue for \$400.00 as a filing fee is enclosed.

If there are any questions about this, please let me know.

Sincerely yours,


Gary W. Duffy

Enclosures
cc w/enclosures:
Office of Public Counsel
parties on attached service list

FILED
MAR 21 1997
MISSOURI
PUBLIC SERVICE COMMISSION

Service list
March 21, 1997

Vernon L. Stump
1077 Barkley, Suite 210
Overland Park, KS 66211

Miller County Water Authority
c/o Joe Butts, Secretary
Lake of the Ozarks General Hospital
54 Hospital Drive
Osage Beach, MO 65065

H. Ralph Gaw
Gaw and Opie, P.C.
Highway 5 South
Tipton, MO 65081

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the matter of the application of Ozark Shores)
Water Company for permission, approval, and a)
certificate of public convenience and necessity)
authorizing it to construct, install, own, operate,)
control, manage and maintain a water system)
in the Columbia College Campus and)
Ozark Meadows subdivision area in Osage Beach)
and Miller County, Missouri, and for approval of)
a water supply agreement between Ozark Shores)
Water Company and Public Water Supply District)
No. 2, Miller County, Missouri, as a rate schedule)
in connection therewith, and as a territorial)
agreement between Ozark Shores and Public)
Water Supply District No. 2 of Miller County.)

Case No. WA-97- 396

FILED
MAR 21 1997
MISSOURI
PUBLIC SERVICE COMMISSION

APPLICATION

Comes now Ozark Shores Water Company ("Ozark Shores" or "Applicant"), by and through its counsel, pursuant to Sections 393.170 and 247.172 RSMo 1994 and 4 CSR 240-2.060, and for its application in this matter respectfully states as follows:

1. Applicant is a "water corporation" and a "public utility" under the jurisdiction of the Missouri Public Service Commission ("Commission"), having been granted a certificate of public convenience and necessity by the Commission in Case No. WM-93-24.
2. By this application, Ozark Shores seeks a certificate of public convenience and necessity to provide regulated metered water service to one wholesale customer, Public Water Supply District No. 2 of Miller County, Missouri ("the District"), pursuant to a "Water Supply

Agreement" within a specified area (referred to herein as "the Columbia College service area").

A copy of the Water Supply Agreement is attached hereto and incorporated by reference as

Appendix A. Ozark Shores does not propose to provide retail water service within the Columbia College service area, although it does provide retail water service in other areas of Missouri pursuant to its tariffs approved by the Commission. Ozark Shores instead proposes to provide the wholesale water service through and after the acquisition of the production, distribution and storage facilities which are now in place and which are presently owned and operated by Miller County Water Authority, Inc. (MCWA). The acquisition of those facilities is to take place pursuant to the terms of the Water Supply Agreement (section 3), the Asset Purchase Agreement between the District and Ozark Shores, a copy of which is attached hereto and incorporated by reference as **Appendix B**, and a Settlement Agreement (section 3), a copy of which is attached hereto and incorporated by reference as **Appendix C**.

3. All communications, correspondence and pleadings in regard to this Application should be directed to:

Vernon L. Stump
1077 Barkley, Suite 210
Overland Park, Kansas 66211
(913) 385-1555
facsimile: (913) 385-3688

Gary W. Duffy, Attorney at Law
Brydon, Swearengen & England P.C.
312 East Capitol Avenue
P. O. Box 456
Jefferson City, Missouri 65102
(573) 635-7166
facsimile: (573) 635-3847

4. A certified copy of Ozark Shores' Articles of Incorporation and Certificate of

Incorporation were previously provided to the Commission in Case No. WM-93-24.

5. A metes and bounds description of the proposed "Columbia College service area" is attached hereto, incorporated herein by reference, and marked as **Appendix D**.

6. A map showing the proposed new service area is attached hereto, incorporated herein by reference, and marked as **Appendix E**.

7. Water service which is not regulated by the Commission is now being provided in the area by MCWA, a not-for-profit corporation and by the District. Service by MCWA would cease upon the granting of the certificate of public convenience and necessity and the subsequent transfer of the assets as contemplated in the Asset Purchase Agreement. Thereafter, retail service within the Columbia College service area would be only by the District.

8. The Columbia College service area is not located within the boundaries of any certificate of public convenience and necessity granted to any water corporation by the Commission. It is located within the boundaries of the District. As the Settlement Agreement and Water Supply Agreement indicate, the District is fully aware of Ozark Shores' intent to apply for a certificate from the Commission since the District would be the sole customer of Ozark Shores pursuant to the Water Supply Agreement.

9. Attached hereto, marked as **Appendix F**, and incorporated herein by reference, is a feasibility study containing plans and specifications for the facilities during the first three years of operation in the Columbia College service area; plans for financing; proposed rates and charges; and an estimate of the number of customers, revenues and expenses during the first three years of operation in the area. The rates to be charged to the sole customer of Ozark Shores in the Columbia College service area are set out in the Water Supply Agreement.

10. The proposed operation in the Columbia College service area is within the boundaries of the City of Osage Beach, Missouri. None of the operations of Ozark Shores within that area will require the use of municipal rights of way but instead will be located on private easements. Thus, they do not require the use of city streets, alleys, and other public rights of way granted by virtue of a city franchise. As a result, Ozark Shores has not applied to the City of Osage Beach for a franchise for operations within the proposed Columbia College service area.

11. Ozark Shores will only have one customer -- the District -- within the proposed Columbia College service area under the terms of the Water Supply Agreement. Pursuant to 4 CSR 240-2.060(2)(F)2, the only landowner within the proposed service area is Miller County Water Authority. MCWA may be reached c/o Joe Butts, Secretary, Lake of the Ozarks General Hospital, 54 Hospital Drive, Osage Beach, Missouri 65065.

12. The Water Supply Agreement contains terms which, if a certificate is granted by the Commission, operate to restrict the territory in which Ozark Shores may operate as regards the territory of the District and the customers which Ozark Shores may serve. As a result, Ozark Shores requests that the Commission also approve the Water Supply Agreement as a territorial agreement between it and the District pursuant to Section 247.172 RSMo 1994. Pursuant to 4 CSR 240-51.010, a check for the \$400 filing fee is enclosed with this application. The boundaries applicable to the territorial agreement are described by metes and bounds in paragraph 2 of the Water Supply Agreement (Appendix A) and are also reflected on a map which is attached and marked as **Appendix G**.

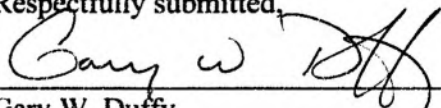
13. Ozark Shores also requests that the Water Supply Agreement be approved as the applicable rate schedule to operate between Ozark Shores and the District as regards the

Columbia College service area. The Commission has in the past approved contracts between entities which the Commission has viewed as being capable of negotiating provisions in their own mutual interest. The steam service provider in Kansas City is operating under such provisions.

14. The granting of this application for a certificate for the proposed Columbia College service area, in conjunction with the approval of the Water Supply Agreement, is in the public interest because it will bring about a resolution of certain issues pending at the Commission regarding Miller County Water Authority and the Commission's jurisdiction over water service in the affected area by having a Commission-regulated provider of wholesale water service. It will also eliminate potential disputes between Ozark Shores and the District with regard to who can supply water service in the Columbia College service area.

WHEREFORE, Applicant requests an order from the Commission granting Ozark Shores a certificate of public convenience and necessity to provide wholesale metered water service in the proposed Columbia College service area, and approving the Water Supply Agreement as a territorial agreement and as a rate schedule.

Respectfully submitted,




Gary W. Duffy MoBE#24905
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E. Capitol Avenue
Jefferson City, MO 65102-0456
(573) 635-7166

Attorneys for
Ozark Shores Water Company

VERIFICATION

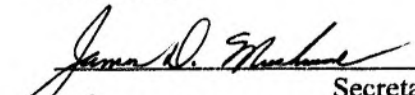
STATE OF MISSOURI)
)SS.
COUNTY OF JACKSON)

On the 17 day of March, 1997, before me appeared Roger K. Sallee, to me personally known, who, being by me first duly sworn, states that he is the president of Ozark Shores Water Company and acknowledged that he had read the above and foregoing document and believes that the allegations therein are true and correct to the best of his information, knowledge and belief, and that the above designated attorneys are authorized to file said application on behalf of Ozark Shores Water Company, that he is aware of the provision appearing in Section 393.170 of the Revised Statutes of Missouri which states: "Before such certificate shall be issued a certified copy of the charter of the corporation shall be filed in the office of the commission, together with a verified statement of the president and secretary of the corporation, showing that it has received the required consent of the proper municipal authorities."; that he is aware of the application of Ozark Shores Water Company for a certificate of convenience and necessity from the Missouri Public Service Commission in the above-captioned proceeding; that the operations of Ozark Shores Water Company pertinent to this Application do not require the use of the streets, alleys, public areas or rights of way in municipalities, consent to the use of which can be granted by franchise from the municipality, but instead are operated on private easements; that accordingly, to the best of his information and belief, no consent of municipal authorities is required.



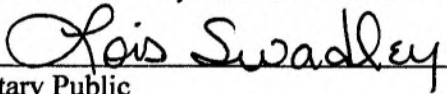
Roger K. Sallee, President

ATTEST:



JAMES D. MUCHMORE Secretary

Subscribed and sworn to before me this 19 day of March, 1997.



Lois Swadley
Notary Public

My Commission Expires:

LOIS SWADLEY

Notary Public - State of Missouri

Commissioned in Jackson County

My Commission Expires 12/14/97

WATER SUPPLY AGREEMENT

This Agreement made and entered into this 22nd day of Oct, 1996, by and between the **Ozark Shores Water Co.**, A Missouri corporation, with its principal offices located at 806 Bittersweet Road, Lake Ozark, MO 65049 (OSWC) and the **Public Water Supply District #2, Miller County, Missouri**, with its principal office located at P.O. Box 851, Lake Ozark, MO 65049, (DISTRICT).

Whereas, OSWC is contemplating purchasing the water well, 50,000 gallon underground storage facility, ground upon which is situated the 500,000 gallon water tower and the water tower along with the booster pumps for the underground storage tank (the assets) presently owned by The Miller County Water Authority (MCWA), and

Whereas, MCWA is a non-profit 501(c)(3) corporation established by the DISTRICT which is entitled to its assets in the event it is dissolved or for any reason terminates its existence, and

Whereas, in the event OSWC does acquire the said property of MCWA, the DISTRICT desires to purchase water from OSWC and OSWC desires to sell water to the DISTRICT in order to acquire its consent to permitting MCWA to sell its assets to OSWC.

Whereas, the parties to this agreement as well as other parties have also this date entered into a settlement agreement (the settlement agreement) which deals with issues related to the issues addressed in this agreement, and

Whereas, the parties to this agreement and the other parties to the settlement agreement currently are involved in litigation pending in the Circuit Court of Miller County, Missouri, which litigation is addressed in the settlement agreement,

The OSWC and the DISTRICT agree as follows:

1. Incorporation of recitals: The foregoing recitals of fact are incorporated herein as substantive provisions of this agreement.

2. Supply of water: In the event OSWC acquires the well, 50,000 gallon storage facility, the ground upon which the 500,000 gallon tower is situated with connecting pipe and hardware then OSWC shall supply water to the District in the area described as:

Starting at the intersection of the centerline of U.S. Highway 54 and the North boundary of Camden County and proceeding East along this line to the Northeast corner of Camden County, this point also being the Northwest corner of Section 5, Township 39 North, Range 15 West,

then South along the West line of said Section 5 to the Northwest corner of Lot 4 of said Section 5, thence East long the North line of Lot 4 to the East line of Section 5, then South along the East line of Section 5 to the Northeast corner of Lot 2 of Section 5, then West along the North line of Lot 2 to its intersection with the centerline of State Highway 42, then along the centerline of State Highway 42 in a Northwesterly direction to its intersection with the centerline of U.S. Highway 54, thence along the centerline of U.S. Highway 54 in a Northwesterly direction to the point of beginning.

(Also any additional property that is contiguous to the District that could be annexed by decree or any customers that could be acquired as a direct result of the expansion of Ozark Meadows Subdivision and/or its affiliates) which area will now be known as or referred to hereafter as the Columbia College area, on a wholesale basis.

3. Ownership of Assets: The OSWC will own and will maintain the well, the 50,000 gallon underground storage tank, the property where the 500,000 gallon tower sets, the 500,000 gallon tower, the easements from the well to the underground storage tank and to the 500,000 gallon tower and the water mains from the well to the underground storage and to the 500,000 gallon tower, all of which are located at Columbia College. Any and all other lines, distribution systems, and easements located within the boundaries of the District shall be owned and maintained by the District. The assets are located on land currently owned by the MCWA. The assets shall be transferred to the OSWC upon their request after OSWC has acquired a certificated area of convenience from the PSC for the limited area described herein. The parties hereto agree that the District shall release all claims to the assets hereinabove described in consideration hereof and OSWC shall dismiss all lawsuits and release all claims it has against District.

4. Terms of Agreement: The term of this Agreement shall be 30 years commencing on the date OSWC acquires the aforementioned assets from MCWA or otherwise acquires the right to distribute water from the described facilities. It is understood that the District can withdraw from this agreement by giving OSWC a one (1) year notice, however OSWC cannot withdraw from this agreement without first acquiring the district's written permission. In the event OSWC, or its successors in interest desire to terminate this agreement at the end of the initial 30 year period it must give written notice to the district at least two (2) years prior to the end of the 30 year term. In the event such notice is not given then the term hereof shall automatically renew for successive ten (10) year periods.

5. Initial price of water: From the date of the first water delivered by OSWC to the District under the terms of this agreement for a period of 5 years the District shall pay to OSWC the sum of \$1.22 per 1000 gallons of water and the gallons of water sold to the District shall be based on the total gallons metered at the point of service (Meter) of the individual residential and business customers. Payment from the District to the OSWC shall be by the 15th of each month based on the gallons used in the prior month.

In the event there arises a situation where OSWC can illustrate there is a large disparity in the cost of water and the amount being charged the District, the district agrees to consider a rate increase. After the initial 5 years, should the District and OSWC fail to reach an agreement on a rate increase then it is agreed that a committee shall be formed in the following manner: The District shall choose an individual to represent them and OSWC shall choose an individual to represent them. These two (2) individuals shall then choose one (1) other individual to form the committee. The committee shall then review the facts as presented and documented by the District and OSWC by which the committee can make a determination and present a recommendation which will be binding on both the District and OSWC.

6. No other fees: OSWC shall not charge the District any other fees other than those set forth herein without the District's permission. There shall be no fees (except for water sold to the District) of any kind whatsoever assessed any resident or business within the District's boundaries or the district, such as but not limited to the furnishing fire flow capabilities.

7. OSWC to be sole Supplier: The OSWC shall be the sole supplier of water to the District in the Columbia college Area as well as be totally responsible for adequate water supply, storage, pressure, and quality of water as set forth by local, state, and federal laws, with the following exception. OSWC recognizes and agrees that all of the customers currently being served by the District shall remain so and any that are presently getting bids for service, and potential customers can be served by the District.

8. Private Water Wells: Should any private wells be located within the District's boundaries and should any such wells conform to local, state and federal laws/standards, then if the OSWC should want to purchase or otherwise gain title to said wells or utilize the well(s) in any manner within the District's boundaries the OSWC shall first negotiate with the District and gain its written permission to do so. The OSWC shall not extend any water lines of any kind whatsoever in or through the District's service area except as previously stated or unless written permission is granted by the Board of Directors. The OSWC shall not be allowed to connect to any water distribution lines within the district's boundaries unless written permission is obtained first from the District's Board of Directors.

9. Extension of Water Main: The District will allow the OSWC to extend a water main from the tower alongside of the Columbia College entrance Road to "D" Road and alongside of "D" Road to the District's boundaries on State Highway 42, all of which will be at no cost to the District. The District shall have the right/authority to tap into this line, as well as any other line in the above mentioned easements, whenever and wherever a customer requires service. There shall be no charge for such a tap/connection but the District will then pay the fee for the water used by the customer based on the customer's metered usage.

10. Further Water Lines: The OSWC shall not extend any water lines of any kind whatsoever in or through the District's entire service area except as previously stated or unless written permission is granted by the Board of Directors. The OSWC shall not be allowed to connect to the water distribution lines within the District's boundaries unless written permission is obtained first from the District's Board of Directors.

11. Water Loss: It is further agreed that the OSWC shall be totally responsible for all water loss within the Columbia College area whether it be from fire flow use, line breaks or anywise.

12. Sales Restrictions: OSWC agrees that it will not sell water to any customer within the entire District's boundaries without first obtaining the District's written permission to do so. OSWC further agrees that it will not serve any customer who has deannexed from the District without the express written consent of the District.

13. Binding Effect: In the event the OSWC should sell or transfer its assets then this Agreement shall be made a part of that sale or transfer and the new owner(s) shall be made aware of this agreement and they shall agree in writing that this agreement is binding on them and that they will abide by it totally.

14. PSC Approval: OSWC shall only apply to the Public Service Commission for a certificated area of convenience to include the actual real estate owned by it around the 500,000 gallon tower, well, and easements to joint them and a 10 foot wide corridor along the college entrance road and from this road along "D" Road to Highway 42 to the District's boundaries. OSWC agrees to a rate limitation in which the revenues OSWC charges the District are never more than 48 percent of the base charged by the District per 1000 gallons of water used. Presently the District's base charge per 1000 gallons of water is \$2.55. The District agrees that the base rate of \$1.22 shall be the minimum rate during the entire term of this Agreement.

15. Modification if Demand Increases: In the event the method of supplying water must be modified to include additional treatment such as building a water treatment plant the District

agrees to review this situation with the OSWC and will seriously consider making adjustment, if in their judgment it is deemed necessary and is supported by the appropriate facts.

16. Indemnity Clause: OSWC agrees to indemnify the District, the Miller County Water Authority and the Board of Directors of the District and the Miller County Water Authority against any and all pending and future litigations that might be brought against them by the Osage Water Company with regard to matters in the Columbia College and Turkey Bend areas to include Public Service Commission's proceedings that are now pending or may in the future be brought concerning the Columbia College and Turkey Bend areas.

17. Miscellaneous:

A: This Agreement shall be binding upon the parties hereto and their successors and assigns, executors, administrators.

B. This Agreement shall be construed in accordance with the laws of the State of Missouri.

C. This Agreement may be amended or modified only by a written agreement signed by all of the parties to this agreement.

D. This agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes.

E. The paragraph headings and captions are used for convenience only in this agreement and shall not be used in order to construe or interpret this agreement.

F. In the event any notice are given hereunder such notice or notices shall be in writing. Such notices may be given by and delivery (in which event they shall be deemed given when actually delivered) by reputable overnight courier, such as Federal Express or UPS (in which event they shall be deemed given when actually received by the recipient) or by United States Mail, Postage Prepaid, Certified or Registered Mail (in which event the notice shall be deemed given when deposited in the U.S. Mail with the correct address of the addressee. Any notices given hereunder shall be given to the parties at the following addresses:

IF TO OSWC: Ozark Shores Water co.
Attn: Vernon L. Stump
7300 West 110th, Suite 900
Overland Park, KS 66210

IF TO DISTRICT: Public Water Supply Dist. #2, Miller Co.
P.O. Box 851
Lake Ozark, MO 65049

G. The rights and obligations of the parties to this agreement shall be contingent upon the execution of and performance under the settlement agreement by all parties and the rights and obligations of the parties under the settlement agreement shall be contingent upon the execution and performance of and under this agreement.

H. This agreement automatically renews annually with the only exception being that if the district wishes to or is willing to negotiate a proposed change. This agreement shall be binding upon the parties hereto, their successors and assigns and cannot/shall not be repealed.

Ozark Shores Water Co.

By *Vernon L. Stump*
Vernon L. Stump
Vice president

Attest

Sam P. M... ..
Secretary

Public Water Supply District #2
Miller Co. Mo.

Byron E. Deere
Byron Deere
President

Attest

George Dockri
Secretary or Clerk

Julie L. Drake
JULIE L. DRAKE
Notary Public - State of Kansas
My Appt. Expires 10/11/99

STATE OF MISSOURI)
) ss.
COUNTY OF MONITEAU)

On this 22nd day of October, 1996, before me a Notary Public in and for said state, personally appeared VERNON L. STUMP who, being by me duly sworn, did say that he is the Corporate Operations Manager, and Vice President of OZARK SHOES WATER CO., a Missouri Corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation Ozark Shores Water Co. by authority of its Board of Directors and said VERNON L. STUMP acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Julie L. Drake

Notary Public

My Commission Expires: 10/11/97

STATE OF MISSOURI)
) ss.
COUNTY OF MONITEAU)

JULIE L. DRAKE
Notary Public - State of Kansas
My Appt. Expires 10/11/97

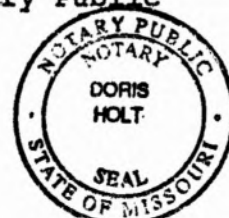
On this 12 day of ^{Nov}~~October~~, 1996, before me a Notary Public in and for said state, personally appeared BRYON DEERE who, being by me duly sworn, did say that he is the President of PUBLIC WATER SUPPLY DISTRICT #2, MILLER CO., MO., a Missouri Corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said BRYON DEERE acknowledged said instrument to be the fire act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Doris Holt

Notary Public

My Commission Expires: 4-10-98



DORIS HOLT
NOTARY PUBLIC - STATE OF MISSOURI
MILLER COUNTY
MY COMMISSION EXP. APR. 10, 1998

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made and entered into this 10th day of August, 1995 by and between MILLER COUNTY WATER AUTHORITY (referred to as "SELLER") and OZARK SHORES WATER COMPANY (referred to as "PURCHASER").

WITNESSETH:

WHEREAS, the SELLER is a Missouri not-for-profit corporation which operates a water production and distribution system located on the campus of Columbia College in Miller County, Missouri, and is the owner of all of the assets of the water distribution system; and

WHEREAS, the parties hereto have reached an understanding with respect to the sale by SELLER of specific assets of SELLER to the PURCHASER;

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, the parties agree as follows:

1. PURCHASE OF ASSETS.

On the terms and subject to the conditions set forth in this Agreement, PURCHASER agrees to buy from SELLER, and SELLER agrees to sell to PURCHASER the following assets located on the campus of Columbia College in Miller County, Missouri:

- Easements
- Water well
- Water distribution system
- 50,000 gallon ground storage tank
- Booster pumps for ground storage tank
- 500,000 gallon elevated storage tank

On the closing date, SELLER shall transfer and assign to PURCHASER all of the above listed assets of SELLER.

2. PURCHASE PRICE.

In consideration of the sale of the assets by SELLER and in further consideration of the covenants and warranties by SELLER, PURCHASER agrees to pay a purchase price as follows: One Dollar (\$1.00) plus assumption by PURCHASER of all SELLER's liabilities relating to construction and operation of these assets. As of July 31, 1995, these liabilities amounted to:

OSWC	\$310,624.07
Pittsburg Tank & Tower	74,904.00
Krehbiel Engineering	21,476.00
Palmerton & Parrish	2,967.42
Flynn Drilling	13,227.00
Brydon, Swearingen & England	<u>6,087.31</u>
TOTAL	\$429,285.80

All liabilities shall be updated as of Closing.

3. REPRESENTATIONS OF SELLER.

The SELLER represents and warrants to the PURCHASER as follows:

3.01 The SELLER is a corporation duly organized as a not-for-profit corporation and is in good standing under the laws of the State of Missouri. The SELLER has the power to own its properties and assets and is duly qualified to do business and is in good standing in every jurisdiction in which the nature of its business makes qualification necessary.

SELLER has the power to enter into and perform this Agreement, and this Agreement constitutes a valid, binding, and enforceable obligation of SELLER.

3.02 SELLER represents, warrants, and agrees that SELLER has good and marketable title to said SELLER's assets being sold hereunder, with the absolute right to sell, assign, and transfer the same to the PURCHASER free and clear of all liens, pledges, security interest or encumbrances, and without any breach of any agreement to which said SELLER is party.

3.03 Neither the execution, delivery, and performance by the SELLER, nor the consummation of the transactions contemplated herein, will: (a) conflict with, constitute a default under or give to others any rights of termination, acceleration or cancellation with respect to any agreement by which the SELLER, in relation to the assets being sold, is bound; (b) violate any law, rule, regulation, judgment or decree presently in effect; or (c) violate any provision of the Articles of Incorporation or By-laws of SELLER.

3.04 There are no actions, suits, investigations, arbitrations or proceedings pending, brought by or against SELLER pertaining to the assets being sold, or to the knowledge of the SELLER threatened against or affecting the assets being sold by any person, firm, corporation or association or before any court, agency or other governmental instrumentality. SELLER is not aware of any violation of any law, rule or regulation with respect to the assets being sold, including, without limitation: zoning laws, health or environmental laws, rules of any governmental, quasi-governmental, or private regulatory agencies.

3.05 SELLER makes no warranties or representations of any nature whatsoever with respect to the assets being transferred hereunder as to their condition, working condition, value or fitness for what they are being or are to be used and PURCHASER agrees that said assets are being acquired in their "as is" condition on date of closing.

4. REPRESENTATIONS OF PURCHASER.

The PURCHASER represents and warrants to SELLER as follows:

4.01 Neither the execution, delivery and performance of this Agreement by the PURCHASER, nor the consummation of the transactions contemplated herein, will: (a) conflict with, constitute a default under or violate any agreement or contract to which PURCHASER is a party to or by which it is bound; (b) violate any law, rule, regulation, judgment or decree presently in effect; or (c) violate any provision of the Articles of Incorporation or By-laws of PURCHASER.

4.02 No statement or representation or warranty made in this Agreement nor any certificate or other document furnished to SELLER in connection therewith by or on behalf of PURCHASER contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements, representations or warranties contained herein or therein not misleading.

4.03 SELLER has made no warranties or representation of any nature whatsoever with respect to the assets being transferred hereunder as to their condition, working condition, value or fitness for what they are to be used by PURCHASER, and PURCHASER agrees that said assets are being acquired in their "as is" condition on date of closing.

4.04 PURCHASER is aware of that certain Water Usage Agreement entered into on December 1, 1992, between Lake University, Inc. and Ozark Meadows, Inc., the obligations of Lake University, Inc., having been assumed by SELLER, and PURCHASER does hereby agree that at the time of closing of this transaction PURCHASER shall be deemed as having assumed all obligations and responsibilities of Lake University, Inc., and SELLER, under said Water Usage Agreement, and PURCHASER agrees to save and hold harmless SELLER from any claims arising out of said Agreement from and after the date of closing. Said Water Usage Agreement is attached hereto, incorporated herein by reference, and marked as *Exhibit "A."*

5. PERFORMANCE OF TERMS.

5.01 SELLER will provide property of approximately one-half acre at the location where the storage tower is being erected, the description of said property being that as shown on *Exhibit "B"* attached hereto. The ownership of this property will be deeded to PURCHASER at closing by quit-claim deed. PURCHASER agrees that if the real estate ceases to be used for a water tower, title shall be deemed to automatically revert to Columbia College or its successors in interest to the adjacent real estate, and PURCHASER does agree that the obligation or PURCHASER hereunder shall not be deemed as merging into the deed to said real estate.

~~5.02 PURCHASER shall provide water service free of charge to Columbia College until the storage tank is completed and functioning. Once the storage tank is placed in service, Columbia College shall be charged by PURCHASER the standard water service rates then in effect. All other persons receiving water from the SELLER's current system will be charged by PURCHASER the standard water service rates in effect at the time of closing and PURCHASER will comply with any obligations of SELLER under the Water Usage Agreement referred to in Paragraph 4.04 above. Exhibit "C" lists the water service rates currently charged by PURCHASER.~~ VLS

5.03 SELLER will provide PURCHASER an easement or easements for all water distribution facilities and water lines located on SELLER's property. The location of such easements shall be as SELLER shall approve and with PURCHASER to provide surveyed legal descriptions to SELLER's satisfaction. PURCHASER agrees to move any water line in the future with respect to said easements if in fact the same in the reasonable opinion of SELLER interferes with SELLER's intended utilization of SELLER's property. These easements will include water lines, well and ground storage tank locations.

6. MUTUAL INDEMNIFICATION.

6.01 SELLER agrees to indemnify, defend and hold PURCHASER harmless from: (a) all claims or causes of action, whenever discovered, debt or liabilities, and (b) any cost, claim, liability or expenses resulting from any breach of this Agreement, or covenant, warranty, condition or provision contained herein or in any document, list, schedule or instrument delivered to PURCHASER by or on behalf of SELLER, in connection with this Agreement or negotiations prior thereto. SELLER shall save and hold harmless PURCHASER from any and all reasonable costs, expenses, suit costs, attorney fees and court costs, which PURCHASER may incur as a result of the above.

6.02 PURCHASER agrees to indemnify, defend and hold SELLER harmless from: (a) all claims or causes of action, whenever discovered, debt or liabilities, any governmental government agency citation or noncompliance arising from the operation of the water distribution system of SELLER which result from the operation of the water distribution system by PURCHASER subsequent to Closing; and (b) as a result of action by PURCHASER, any cost, claim, liability or expense resulting from any breach of this Agreement, or covenant, warranty, condition or provision contained herein or in any document, list, schedule or instrument delivered to SELLER by or on behalf of PURCHASER, in connection with this Agreement or negotiations prior thereto. PURCHASER shall save and hold harmless SELLER from any kind and all reasonable costs, expenses, suit costs, attorney fees and court costs, which SELLER may incur as a result of the above.

7. CLOSING.

7.01 Closing will occur on or after September 1, 1995, as mutually agreed by SELLER and PURCHASER..

7.02 At Closing: (a) SELLER shall execute and deliver to PURCHASER a Bill of Sale and Assignment, in form satisfactory to PURCHASER, conveying merchantable title to all of the assets, free and clear of all liens; and (b) evidence and documents satisfactory to PURCHASER that all other terms and conditions of this Agreement to be complied with by SELLER on or before Closing shall have been duly complied and performed.

7.03 At Closing, PURCHASER shall deliver to SELLER: (a) by check, the sum owed as described in *Section 2*; and (b) evidence and documents satisfactory to SELLER that all other terms and conditions of this Agreement to be complied with by PURCHASER on or before Closing shall have been duly complied and performed.

8. MISCELLANEOUS.

8.01 In the event any one or more of the provisions contained in this Agreement or any application thereof shall be declared invalid or illegal or unenforceable by any court of competent jurisdiction the validity, legality or enforceability of the remaining provisions of this Agreement shall not be impaired thereby, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision were not contained herein.

8.02 Each party hereto will pay the expenses incurred by him or it under or in connection with this Agreement, including counsel fees and expenses of his or its representatives, whether or not the transactions contemplated by this Agreement are consummated.

8.03 All notices given under any of the provisions of this Agreement shall be deemed to have been duly given if given in person or mailed by certified mail, property addressed, postage prepaid as follows:

If to PURCHASER:

Mr. Vernon L. Stump
Ozark Shores Water Company
7300 W. 110th Street, Suite 900
Overland Park, KS 66210

If to SELLER:

Mr. Richard Brown
Miller County Water Authority
802 Bittersweet Road
P.O. Box 9
Lake Ozark, MO 65049

or to such other address as one of the parties may designate in writing by certified mail to the other party.

8.04 Neither this Agreement nor any term or provision hereof may be changed, waived, discharge or terminated orally, or in any manner other than by an instrument in writing signed by both parties.

8.05 This Agreement shall be binding upon and inure to the benefit of the respective parties, and their successors and assigns, heirs and personal representatives. The covenants herein will survive Closing and are enforceable by any successor, assign, heir or personal representative.

8.06 The rights of PURCHASER pursuant to this Agreement are fully assignable. SELLER agrees to such assignment and such other or further assignment as PURCHASER shall deem appropriate. The warranties, indemnities and duties of SELLER shall be deemed to run in favor of and to be enforceable by any assignee of PURCHASER.

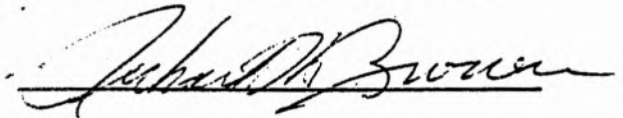
8.07 In this Agreement, whenever the context so requires the use of the masculine, feminine or neuter gender, it shall include the other genders. The use of the singular number shall include the plural and the use of the plural number shall include the singular.

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

SELLER:

MILLER COUNTY WATER AUTHORITY

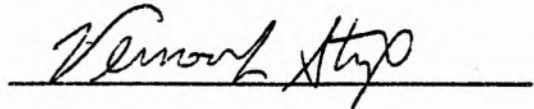
By:



PURCHASER:

OZARK SHORES WATER COMPANY

By:



WATER USAGE AGREEMENT

This Water Usage Agreement, made and entered into this 1st day of DECEMBER, 1992, by and between Lake University, Inc., a Missouri not-for-profit corporation, hereinafter referred to as "Lake University" and Ozark Meadows, Inc., a Missouri corporation, hereinafter referred to as "Ozark".

WITNESSETH:

WHEREAS, Lake University the owner of certain real estate lying in Miller County, Missouri, having acquired title to the same pursuant to Warranty Deed from H & W Development Co., a Tennessee partnership, which Warranty Deed is recorded in the records of Miller County, Missouri in Book 245 at Pages 121 and 122; and

WHEREAS, Lake University on date of this Agreement is selling a portion of said real estate to Ozark, that real estate being sold to Ozark being that real estate described in the legal description which is attached hereto and as Exhibit "A"; and

WHEREAS, there is located upon property owned by Lake University a deep water well and dual pump system, the same being located upon that real estate, the legal description of which is attached hereto and marked as Exhibit "B" and Lake University is simultaneous herewith granting to Ozark an easement to install water lines to said deep water well and dual pump system; and

WHEREAS, Ozark is desirous of obtaining from Lake University the right to connect to the deep water well and dual pump system and the right to utilization of water from the same, all for the benefit of permanent improvements to be constructed by Ozark on the lands being acquired by Ozark from Lake University and the parties are desirous to reducing to writing their Agreement with respect to said water usage.

NOW, THEREFORE, in consideration of the benefits to be derived by Ozark and the payments of the amounts as hereinafter called for to be made by Ozark to Lake University, the parties do hereby mutually agree as follows:

1. Lake University does hereby grant the right to Ozark for Ozark to obtain water from that deep water well and dual pump system owned by Lake University on that real estate the legal description of which is attached hereto and marked as Exhibit "B", with said right of water usage extending to and being for the benefit of any permanent improvements and facilities constructed upon that real estate being purchased by Ozark from Lake University, the legal description of the real estate being attached hereto and marked as Exhibit "A", with said right of water usage being based upon the terms and conditions of this Agreement.

2. Lake University agrees that it will utilize reasonable efforts to maintain and keep in reasonable operating condition the deep water well and dual pump system owned by Lake University located on that real estate shown on Exhibit "B" and that it will at reasonable times have preventive maintenance and operational inspections made of said well and pump system, provided, however that Lake University shall not be responsible for any interruption of the availability of water to Ozark as a result mechanical failure or breakdown.

3. Ozark agrees that in the utilization of water by Ozark pursuant to this Agreement, that Ozark will comply with and agrees to performance of the following:

a. Ozark shall install all water lines to be utilized by Ozark from the site of the deep water well and dual pump system to the various improvements and facilities to be built by Ozark on lands being acquired by Ozark from Lake University, and the same are to be constructed, installed and maintained in accordance with specifications which meet the requirements of and specifications of the Miller County Water District, the same as if said water line were being installed for or on behalf of Miller County Water District and Ozark agrees to have installed a water meter for each individual permanent improvement or facility that is constructed upon the land owned by Ozark and obtained from Lake University.

b. Ozark agrees that on a monthly basis Ozark will have read or will cause to have read or will cause Miller County Water District to read all of the individual water meters and Ozark shall report to Lake University on a monthly basis the readings of all said waters meters and computation as to the total gallonage of water utilized. Ozark agrees that Ozark will, based upon said total gallonage of usage, pay to Lake University an amount equal to that amount determined by multiplying the total gallonage used by the then current rate of Miller County Water District. Ozark shall cause the water meters to be read, all computations to be made and payment to be submitted to Lake University by not later than the 10th day of each month, with the same representing the usage for the immediately preceeding month. Ozark shall submit documentation and verification as to the gallonage utilized and the then current rate of Miller County Water District.

c. Ozark acknowledges that Lake University has made no warranties or representations as to the quality of the water or as to the quantity of water available through the deep water well and dual pump system and Ozark reserves the right to stop utilization at any point and time that Ozark is not satisfied with the quality or quantity of the water which Ozark is obtaining from the deep water well and dual pump system.

4. Lake University agrees to utilize reasonable efforts to comply with any governmental entity or agency rules, regulations and requirements as they may pertain to the quality of water being produced from and obtained from the deep water well and Lake University hereby reserves the right and Ozark agrees that Lake University shall have the right to terminate this agreement at any time that Lake University deems such rules, regulations and requirements be burdensome, in the sole discretion of Lake University and Lake University determines that it will cease utilization of the deep water well and dual pump system.

5. Ozark does hereby acknowledge that Lake University utilizes the deep water well and dual pump system only for the purpose of providing water for the sole use and utilization of Lake University and facilities owned and operated by Lake University and that Lake University is entering into this Agreement at the request of Ozark and for the convenience of Ozark and that Lake University does not operate a water system for the benefit of the general public and does not sell water to customers and that this Agreement and the method of payment by Ozark to Lake University is established by the parties as a means and method of Ozark bearing a portion of the operational costs and expense of the deep water well and dual pump system.

6. Ozark does agree that if Lake University in the future shall make arrangements with Miller County Water District for the deep water well and dual pump system be dedicated to or transferred to the Miller County Water District or for the Miller County Water District to provide services to lands owned by Lake University, then and in such event Ozark agrees Lake University shall have no further responsibilities under this Agreement at such time as Miller County Water District provides water services.

7. Notwithstanding anything to the contrary hereinbefore appearing, it is hereby agreed that if Lake University shall at any time determine in its sole discretion that it will no longer utilize the deep water well and dual pump system to provide water to improvements on the lands owned by Lake University, that then and in such event, Lake University will have the right to terminate this Agreement by giving to Ozark not less than one (1) year's prior written notice.

8. Ozark does hereby release and forever discharge Lake University from any and all claims, demands, causes of action or liability of any nature whatsoever for personal injury or property damage arising out of the use and utilization of water pursuant to this Agreement by Ozark at any facilities and improvements on lands owned by Ozark, including the lack of water being available as a result of the malfunction or failure of performance of the deep water well and dual pump system, the quality of the water obtained by Ozark from the deep water well and dual pump system and Ozark does hereby agree to save and hold harmless Lake University from all such claims, demands,

liabilities and causes of action of whatsoever nature with respect thereto.

9. Boone County National Bank, of Columbia, Missouri, the beneficiary of Deeds of Trust being dated December 21, 1990, and recorded on December 27, 1990, in Book 177, at Page 667, of the Miller County, Missouri Records; and Deed of Trust dated June 15, 1992, and recorded June 17, 1992, in Book 192, at Page 833, of the Miller County, Missouri Records; and beneficiary of Uniform Commercial Code Financing Statement No. 7796 filed in Deed of Trust Book 177, at Page 705, and Uniform Commercial Code Financing Statement No. 1714, filed in Deed of Trust Book 192, at Page 831, both in Miller County, Missouri Records, does hereby agree that the Deeds of Trust and Financing Statements above identified shall be deemed as being subordinate to and subject to the rights granted in this Water Usage Agreement to Ozark and Boone County National Bank does agree that in the event it shall become necessary at any time in the future for it to call upon the Trustee in said Deeds of Trust to utilize the powers of sale contained therein to foreclose upon said real estate or shall realize upon security in said Financing Statements, that the title acquired by the purchaser of said real estate through the Trustee's sale, or through judicial foreclosure, or through sale under the Financing Statements, shall take title to the said property which is described as Exhibit "B" which is attached hereto, subject to the rights of Ozark as set forth in this Water Usage Agreement, with the rights and obligations of the purchaser to be such as are set forth hereinbefore with respect to Lake University.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

ATTEST:

Charles J. Bobbitt
Secretary
Charles J. Bobbitt

ATTEST:

Richard J. Otke
Secretary
RICHARD J. OTKE

ATTEST:

Wayne Mountjoy
Wayne Mountjoy

LAKE UNIVERSITY, INC.

BY: Donald B. Ruthenberg
Donald B. Ruthenberg, President

OZARK MEADOWS, INC.

BY: Thomas G. Otke
THOMAS G. OTKE President

BOONE COUNTY NATIONAL BANK

By: James L. Bornhauser
James L. Bornhauser Vice President

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this first day of December, 1992 before me personally appeared Donald B. Ruthenberg, to me known to be the President of Lake University, Inc., who after being first duly sworn upon his/~~her~~ oath states that he/~~she~~ is the duly authorized officer to sign on behalf of Lake University, Inc. and that the information contained in the foregoing Water Usage Agreement is true and correct according to his/~~her~~ best knowledge, information and belief.

My commission expires:
Feb. 26, 1996

Doris Sears
NOTARY PUBLIC

Doris Sears

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this 1st day of DECEMBER, 1992 before me personally appeared TITOMAS G. OTKE, to me known to be the President of Ozark Meadows, Inc., who after being first duly sworn upon his/her oath states that he/she is the duly authorized officer to sign on behalf of Ozark Meadows, Inc. and that the information contained in the foregoing Water Usage Agreement is true and correct according to his/her best knowledge, information and belief.

M H Dalton
NOTARY PUBLIC

My commission expires:

M. H. DALTON
Notary Public - State of Missouri
Commissioned in Boone County
My Commission Expires 12/4/92

STATE OF MISSOURI)
) SS.
COUNTY OF BOONE)

On this 30th day of November, 1992 before me personally appeared James L. Bornhauser, to me known to be the Vice President of Boone County National Bank, who after being first duly sworn upon his/~~her~~ oath states that he/~~she~~ is the duly authorized officer to sign on behalf of Boone County National Bank and that the information contained in the foregoing Water Usage Agreement is true and correct according to his/~~her~~ best knowledge, information and belief.

My commission expires:
Feb. 26, 1996

Doris Sears
NOTARY PUBLIC

Doris Sears

KREHBIEL ENGINEERING, INC.

109 Blair Ave.
Camdenton, Missouri 65020
314-346-5316

Property Description

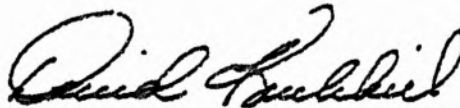
Prepared For:
Miller County Water
Authority, Inc.
P.O. Box 9, 802 Bittersweet
Lake Ozark, MO 65049

Property Identification:
Columbia College Water
Tower Site
Section 31
Township 39 North
Range 15 West

Date of Description:
6/22/94

That part of Lot 4 of the Northwest quarter of Section 5, Township 39 North, Range 15 West, Miller County, Missouri, described as follows:

Beginning at the Southeast corner of the West half of said Lot 4 of the Northwest quarter run West along the South line of said Lot 4 of the Northwest quarter 115.7 feet; thence leaving said South line run North 150.0 feet; thence East 155.2 feet to the centerline of road; thence in a Southerly direction along road centerline to the South line of said Lot 4 of the Northwest quarter; thence leaving said road centerline run West along said South line 34.3 feet to the place of beginning.



David Krehbiel P.E., L.S. 23 June 94
Missouri Registered Land Surveyor
LS-1223

d2:lg1497.27

FORM NO. 13

P.S.C.MO. No. 1{ Original } SHEET No. 11

{ Revised }

Cancelling P.S.C.MO. No. _____

{ Original }

SHEET No. _____

{ Revised }

Ozark Shores Water Company

For Certificated Area

Name of Issuing Corporation

Community, Town or City

250 20 1992

RATE SCHEDULE W-1 General Service MeteredAvailability:

Any metered customer adjacent to the Company's water distribution mains using standard water service.

Price Schedule

First 3,000 gallons or less per month \$ 8.18

All usage over 3,000 gallons per month \$ 1.61 per thousand gallons

Minimum Per CustomerSize of MeterMinimum Monthly Charge

3/4 Inch	\$ 8.18
1 Inch	10.49
2 Inch	18.97
3 Inch	29.77
4 Inch	45.19
6 Inch	83.74

Taxes

Any applicable Federal, State or Local taxes computed on billing basis shall be added as separate items in rendering each bill.

Delayed Payment Clause

Bills will be made out and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment is due; namely 21 days after date distributed. If not so paid, 10% is added to the first \$15.00 of each bill and 5% on amounts in excess of \$15.00.

FILED

*Indicates new rate or text

+Indicates change

JAN 13 1993
93 - 24

MO. PUBLIC SERVICE COM. 1.

DATE OF ISSUE December 29, 1992
month day yearDATE EFFECTIVE January 13, 1993
month day yearISSUED BY Roger Sallee, President
name of officerKansas City, Missouri
title address

Exhibit "C"

Appendix 8
p.13

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into to be effective as of the 22nd day of October, 1996, by the Parties.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Definitions:** As used in this Agreement, the following terms shall have the following meanings:

a. **Agreement:** "Agreement" shall mean this Agreement, and all attachments and exhibits hereto.

b. **Asset Purchase Agreement:** "Asset Purchase Agreement" shall mean that certain Asset Purchase Agreement dated August 10, 1995, by and between the Authority and Ozark Shores, pursuant to which the Authority agreed to sell to Ozark Shores and Ozark Shores agreed to purchase from the Authority certain assets described in the Asset Purchase Agreement.

c. **Authority:** "Authority" shall mean the Miller County Water Authority, Inc., a Missouri not-for-profit corporation.

d. **Brown:** "Brown" shall mean Richard Brown, an individual.

e. **Butts:** "Butts" shall mean Joe Butts, in his capacity as a member of the Board of Directors of Miller County Water Authority, Inc.

f. **Defendants' Attorney:** "Defendants' Attorney" shall mean H. Ralph Gaw, Gaw and Opie, P.C., Highway 5 South, Tipton, Missouri, 65081. The Defendants' Attorney represents the Authority, the District, Brown, Ferrante, and Swope.

g. **District:** "District" shall mean Public Water Supply District #2 of Miller County, Missouri.

h. **Effective Date:** "Effective Date" shall mean October 22, 1996. Any documents required to be executed or exchanged pursuant to this Agreement shall be so executed and exchanged on the Effective Date and at a location agreed to by the Parties.

- i. Ferrante: "Ferrante" shall Jay Ferrante, an individual.
- j. Lawsuits: "Lawsuits" shall mean the following lawsuits pending in the Circuit Court of Miller County, Missouri:

(1) Ozark Shores Water Company v. Miller County Water Authority, Inc., Case Number CV596-208CC.

(2) Joe Butts, et al. v. Miller County Water Authority, Inc., et al., Case Number CV596-209CC.

(3) Ozark Shores Water Company v. Public Water Supply District #2 of Miller County, Missouri, et al., Case Number CV596-210CC.

k. Lis Pendens: "Lis Pendens" shall mean that certain notice of Lis Pendens filed June 27, 1996, in Book 325, Page 766 of the Records of Miller County, Missouri, in the lawsuit styled "Ozark Shores Water Company v. Miller County Water Authority, Inc." pending in the Circuit Court of Miller County, Missouri, Case Number CV596-208CC.

l. Ozark Shores: "Ozark Shores" shall mean Ozark Shores Water Company, a Missouri corporation.

m. Ozark Shores' Attorney: "Ozark Shores' Attorney" shall mean Craig A. Van Matre, Craig A. Van Matre, P.C., 1103 East Broadway, Suite 101, Columbia, Missouri, 65201; telephone number (573) 874-7777.

n. Parties: "Parties" shall mean Ozark Shores, the Authority, the District, Butts, Ferrante, Brown, and Swope.

o. Swope: "Swope" shall mean Leon Swope, an individual.

p. Water Supply Agreement: "Water Supply Agreement" shall mean the Water Supply Agreement dated October 22 1996, entered into by, between, and among Ozark Shores and the District.

2. Recitals of Pertinent Facts: The Parties to this Agreement stipulate and agree that the following facts are true and that they form a substantive portion of this Agreement:

a. Ozark Shores and Butts filed the Lawsuits and alleged therein certain causes of action against and sought certain monetary damages from the Authority, Ferrante, Brown, Swope, and the District in the Lawsuits.

b. The Circuit Court of Miller County, Missouri, in Case Number CV596-209CC previously issued a temporary restraining order against the Authority, Ferrante, Brown and Swope enjoining them from engaging in and performing certain acts.

c. After the Lawsuits were filed, the Parties engaged in settlement discussions and negotiations, which have resulted in a settlement being reached which is reflected in this Agreement and in the Asset Purchase Agreement, the Territorial Agreement, and the Water Supply Agreement. The Parties have agreed, among other things, to perform their obligations under the Asset Purchase Agreement, and to execute and perform under the Water Supply Agreement.

d. The Parties desire to avoid the expense, inconvenience and complications associated with the Lawsuits and proceeding to trial in the Lawsuits. The Parties have been advised by their respective attorneys as to the advantages and disadvantages of entering into this Agreement and the agreements associated and related to this Agreement. This Agreement has been entered into freely, voluntarily, and as the free act and deed of all of the Parties.

e. Each of the Parties, stipulates, acknowledges, and agrees that there is adequate and valuable consideration for the various and mutual promises and covenants made in this Agreement.

3. **Asset Purchase Agreement:** The Authority and Ozark Shores agree that the Parties' obligations under the Asset Purchase Agreement will be performed and that closing thereunder will occur on the 45th day after the Missouri Public Service Commission grants Ozark Shores a certificate to operate in the area contemplated by the Water Supply Agreement. The Authority and Ozark Shores acknowledge and agree that the Asset Purchase Agreement is ratified and reaffirmed, is still in force and effect, and the Closing Date thereunder is hereby extended as stated in the immediately preceding sentence. No other or further amendments to the Asset Purchase Agreement are intended to be made in this Agreement, except as specifically provided for in this Agreement.

4. **Water Supply Agreement:** The District, the Authority, and Ozark Shores agree to execute the Water Supply Agreement and to be bound by the terms of and to perform under the Water Supply Agreement.

5. **Dismissal of Lawsuit:** As soon as reasonably possible after the date of this Agreement and the Closing under the Water Supply Agreement, Ozark Shores and Butts shall dismiss the Lawsuits without prejudice. It is agreed that the Plaintiffs in the Lawsuits will pay all taxable court costs therein. In addition, upon the dismissal of the Lawsuits, any and all bonds posted by any of the Plaintiffs in the Lawsuits shall immediately be returned to the party which posted such bonds. Furthermore, Butts and Ozark Shores agree to file such documents as are necessary to release and nullify the Lis Pendens.

6. **Attorney's Fees:** Each Party shall pay and shall be responsible for any and all attorney's fees incurred by that Party in connection with the Lawsuit, the preparation of this Agreement, or otherwise. No Party to this Agreement shall have any obligation to reimburse any other Party for any attorney's fees or related costs incurred by any other party.

7. **Approval and Advice of Legal Counsel:** All of the Parties sought and obtained the advice of their respective legal counsel in the negotiation of the terms and conditions of this Agreement and in understanding the implications of the provisions of this Agreement. Both Defendants' Attorney and Ozark Shores' Attorney have executed this Agreement as evidence of their approval of the form and language contained herein.

8. **Binding Effect; Construction:** This Agreement shall be binding upon the Parties hereto and their respective heirs, executors, successors, personal representatives, administrators, and assigns. It shall be interpreted in accordance with the laws of the state of Missouri.

9. **No Adverse Inference:** All Parties had equal input with respect to the language chosen in this Agreement and accordingly, no rule of law or construction shall be employed in construing this Agreement which requires the construction hereof more favorably or strongly in favor of or against any party to this Agreement.

10. **Multiple Copies and Signature Pages:** This Agreement has been executed in multiple copies, each of which shall be deemed an "original" for all purposes.

11. **Enforcement:** The Parties agree that the damages which might be suffered in the event of a breach of this Agreement by any party would be difficult, if not

impossible, to determine. Accordingly, this Agreement shall be capable of being enforced by the equitable remedy of specific performance or by such other equitable order as might be fashioned by a court of competent jurisdiction. Such equitable remedy shall be in addition to such legal remedies as to which any prevailing party in such litigation might otherwise be entitled as a result of such breach. Furthermore, in the event any party breaches this Agreement, the prevailing party in any litigation brought to enforce this Agreement shall be entitled to recover said prevailing party's legal fees, court costs, and other reasonable litigation costs, in addition to such other relief as to which said prevailing party might be entitled.

12. **Entire Agreement:** This Agreement and the other contracts and agreements described herein express the entire agreement of the Parties, and supersede or replace any and all prior discussions between the Parties or their respective attorneys.

13. **Amendment:** This Agreement shall not be amended except by a written document which is executed by all of the Parties.

14. **Full and Complete Understanding of Settlement:** The Parties, by executing this Agreement, represent and warrant to each other that they fully and completely comprehend and understand each of the provisions of this Agreement, the legal effect thereof, and the consequences of entering into same.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement to be effective as of the 22nd day of October, 1996.

Ozark Shores Water Co. ("OSWC")

By: Vernon L. Stump
Vernon L. Stump, Vice President

ATTEST:

James D. Stump
Secretary

Public Water Supply District #2 Miller
County ("District")

By: Byron E Deere
Byron Deere, President

ATTEST:
George Deere
Secretary

Miller County Water Authority, Inc.
("Authority")

By: Marlen Frank
Name: MARLEN FRANK
Title: VICE PRES

ATTEST:
Joe Butts
Secretary

Jay Ferrante
Jay Ferrante ("Ferrante")

Richard Brown
Richard Brown ("Brown")

Leon Swope
Leon Swope ("Swope")

Joe Butts
Joe Butts ("Butts")

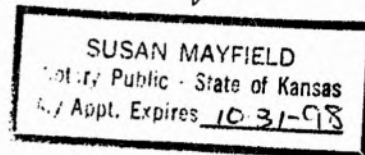
Kansas
STATE OF MISSOURI)
) ss.
COUNTY OF Johnson)

On this 30th day of ~~October~~ ^{November}, 1996, before me a Notary Public in and for said state, personally appeared Vernon L. Stump, who, being by me duly sworn, did say that he is the Corporate Operations Manager, and Vice President of Ozark Shores Waters Co., a Missouri corporation, of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation Ozark Shores Water Co., by authority of its Board Directors and said Vernon L. Stump acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Susan Mayfield
Notary Public

My commission expires: 10-31-98



STATE OF MISSOURI)
) ss.
COUNTY OF)

On this 24th day of October, 1996, before me a Notary Public in and for said state, personally appeared Bryon Deere, who, being by me duly sworn, did say that he is the President of Public Water Supply District #2, Miller County, Missouri, a Missouri corporation, of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board Directors and said Bryon Deere acknowledged said instrument to be the free act and deed of said corporation.

• IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Doris Holt
Notary Public

My commission expires: 4-10-98



- Page 7 -

STATE OF MISSOURI)
) ss.
COUNTY OF)

On this 30TH day of October, 1996, before me a Notary Public in and for said state, personally appeared MARLEN FRANK., who, being by me duly sworn, did say that he is the VICE PRES. of Miller County Water Authority, Inc., a Missouri corporation, of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board Directors and said MARLEN FRANK. acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at my office the day and year first above written.

Doris Holt
Notary Public

My commission expires: 4-10-98



State of Missouri)
) ss
County of)

MY COMMISSION EXPIRES 4-10-98

On this 24TH day of October, 1996, before me, a notary public in and for the county and state aforesaid, personally appeared Jay Ferrante, known to me to be the person who executed the foregoing document, and acknowledged to me that he executed the same as his free act and deed for the purposes therein stated.

Doris Holt
Notary Public

My commission expires:



NOTARY PUBLIC - STATE OF MISSOURI
MILLER COUNTY
MY COMMISSION EXPIRES 4-10-98

State of Missouri)
) ss
County of Moniteau)

H Ralph Law
attorney for

On this 5th day of ~~April~~ ^{November}, 1996, before me, a notary public in and for the county and state aforesaid, personally appeared Richard Brown, known to me to be the person who executed the foregoing document, and acknowledged to me that he executed the same as his free act and deed for the purposes therein stated.

Carol White
Notary Public

My commission expires:

CAROL WHITE
Notary Public State of Missouri
Commissioned in Morgan County
My Commission expires Oct. 23, 2000

State of Missouri)
) ss
County of MILLER)

On this 15th day of October, 1996, before me, a notary public in and for the county and state aforesaid, personally appeared Leon Swope, known to me to be the person who executed the foregoing document, and acknowledged to me that he executed the same as his free act and deed for the purposes therein stated.

Judy A. Noser
Notary Public

My commission expires: 12-16-99



State of Missouri)
) ss
County of Cumden)

JUDY A. NOSER
NOTARY PUBLIC - STATE OF MISSOURI
MILLER COUNTY
MY COMMISSION EXP. DEC. 16, 1999

On this 28 day of ~~April~~ ^{October}, 1996, before me, a notary public in and for the county and state aforesaid, personally appeared Joe Butts, known to me to be the person who executed the foregoing document, and acknowledged to me that he executed the same as his free act and deed for the purposes therein stated.

Kathleen L. Hornmeyer
Notary Public

My commission expires:
6-18-98

COLUMBIA COLLEGE
SERVICE AREA

That part of Lot 4 of the Northwest quarter of Section 5, Township 39 North, Range 15 West, Miller County, Missouri, described as follows:

Beginning at the Southeast corner of the West half of said Lot 4 of the Northwest quarter run West along the South line of said Lot 4 of the Northwest quarter 115.7 feet; thence leaving said South line run North 150.0 feet; thence East 155.2 feet to the centerline of road; thence in a southerly direction along road centerline to the South line of said Lot 4 of the Northwest quarter; thence leaving said road centerline run West along said South line 34.3 feet to the place of beginning.

A strip of land 10.00 feet in width lying 5.00 feet on each side of the following described centerline:

That part of Lot 4 of the Northwest quarter of Section 5, township 39 North, Range 15 West, Miller County, Missouri, described as follows:

From the Southwest corner of the West half of Lot 4 of the Northwest quarter of said Section 5, run along the South line of the West half of Lot 4 of the Northwest quarter, West 115.70 feet; thence leaving the South line of the West half of Lot 4 of the Northwest quarter, North 150.00 feet; thence East 142.07 feet for the point of beginning or described centerline; thence along centerline of said 10.00 foot wide strip of land, North 13 degrees 32 minutes 10 seconds East 62.99 feet; thence North 14 degrees 57 minutes 35 seconds East 53.54 feet; thence North 0 degrees 36 minutes 15 seconds West 34.80 feet; thence North 17 degrees 17 minutes 20 seconds West 38.43 feet; thence North 47 degrees 06 minutes 30 seconds West 47.19 feet; thence North 64 degrees 51 minutes 30 seconds West 89.16 feet; thence North 62 degrees 52 minutes 30 seconds West 53.77 feet; thence North 59 degrees 36 minutes 25 seconds West 69.50 feet; thence North 57 degrees 35 minutes 55 seconds West 105.70 feet; thence North 54 degrees 12 minutes 55 seconds West 61.12 feet; thence North 49 degrees 41 minutes 50 seconds West 52.96 feet;

thence North 46 degrees 13 minutes 15 seconds West 72.07 feet;
thence North 43 degrees 59 minutes 20 seconds West 156.26 feet;
thence South 30 degrees 34 minutes 35 seconds West 149.79 feet;
thence South 27 degrees 16 minutes 15 seconds West 393 feet, more
or less, for the termination of the described centerline.

ALSO: A strip of land 10.00 feet in width lying 5.00 feet on each
side of the following described centerline:

That part of Lot 4 of the Northwest quarter of Section 5, Township 39
North, Range 15 West, Miller County, Missouri, described as
follows:

From the Southeast corner of the West half of Lot 4 of the Northwest
quarter of said Section 5, run along the South line of the West half of
Lot 4 of the Northwest quarter, West 115.70 feet; thence leaving the
South line of the West half of Lot 4 of the Northwest quarter, North
150.00 feet; thence East 142.07 feet; thence North 13 degrees 32
minutes 10 seconds East 62.99 feet; thence North 14 degrees 57
minutes 35 seconds East 53.54 feet; thence North 0 degrees 36
minutes 15 seconds West 34.80 feet; thence North 17 degrees 17
minutes 20 seconds West 38.43 feet; thence North 47 degrees 06
minutes 30 seconds West 47.19 feet for the point of beginning of
described centerline; thence along centerline of said 10.00 foot wide
strip of land, North 31 degrees 32 minutes 45 seconds East 56.91 feet;
thence South 62 degrees 58 minutes 15 seconds East 39.82 feet;
thence South 82 degrees 37 minutes 30 seconds East 28.01 feet;
thence North 71 degrees 24 minutes 00 seconds East 38.82 feet;
thence North 51 degrees 39 minutes 35 seconds East 53.42 feet;
thence North 57 degrees 00 minutes 15 seconds East 30.97 feet;
thence North 66 degrees 02 minutes 10 seconds East 30.72 feet;
thence North 78 degrees 36 minutes 40 seconds East 53.29 feet;
thence North 86 degrees 25 minutes 25 seconds East 38.09 feet;
thence South 86 degrees 45 minutes 25 seconds East 101.91 feet;
thence South 8 degrees 07 minutes 15 seconds West 58 feet, more or
less, to the ground storage reservoir, for the termination of the
described centerline.

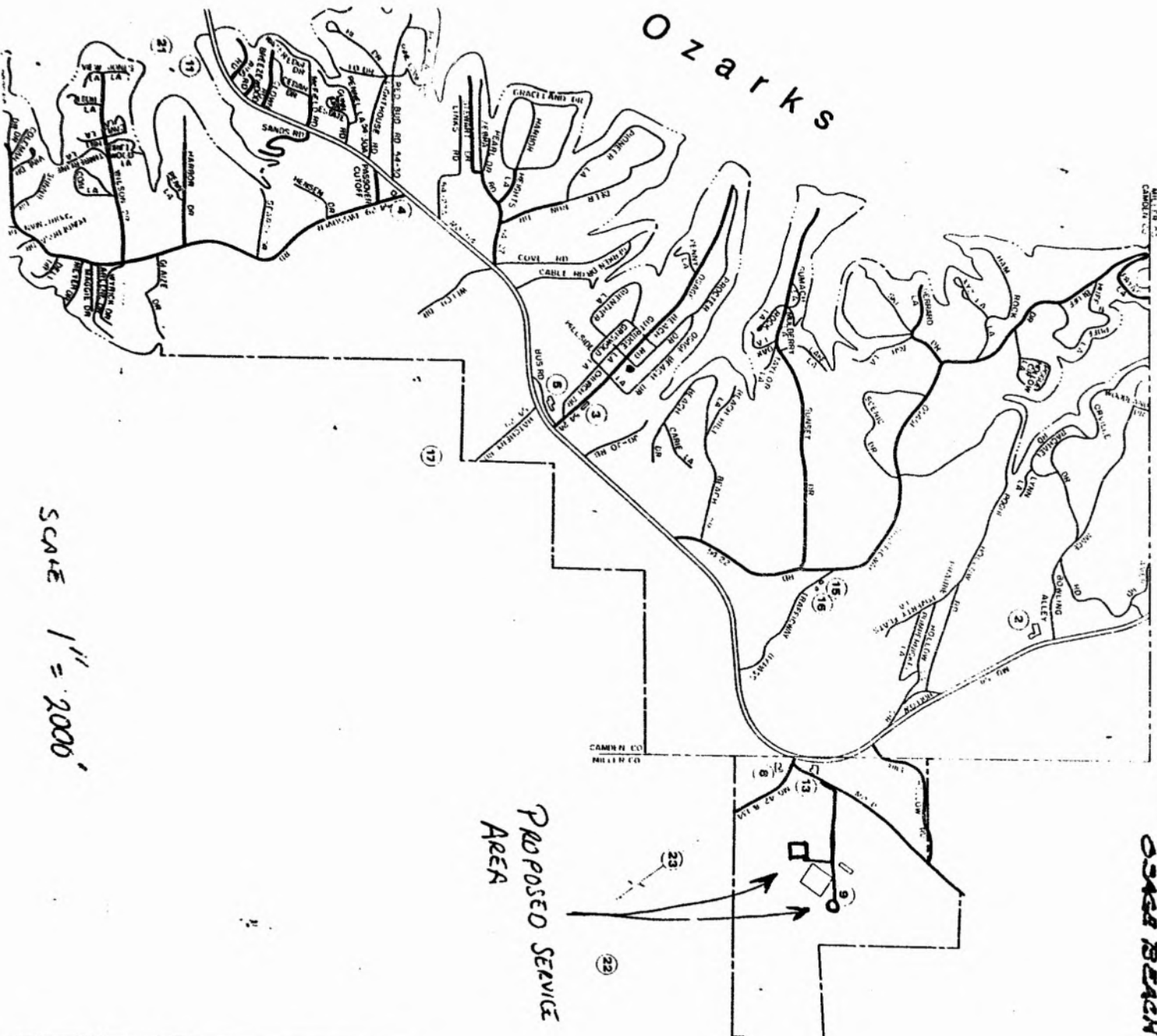
ALSO: Starting at the point of termination of the centerline immediately described above, the beginning point being the point of termination of the centerline above described and from said point North 77 degrees 4 minutes 10 seconds West 9.75 feet; thence South 4 degrees 36 minutes 30 seconds West 45.61 feet; thence South 87 degrees 24 minutes 45 seconds East 23.40 feet; thence North 22 degrees 39 minutes 5 seconds East 41.52 feet; thence North 77 degrees 4 minutes 10 seconds West 26.89 feet to the point of beginning.

ALSO: A strip of land 10.00 feet in width lying 5.00 feet on each side of the following described centerline: From the Southeast corner of the immediately above described ground, go North 22 degrees 39 minutes 5 seconds East 16.91 feet to the point of beginning; thence with the easement herein described go South 28 degrees 53 minutes 5 seconds East 74.64 feet to the point of termination of the centerline.

ALSO: From the point of termination of the immediately above described centerline, which shall be the point of beginning, North 30 degrees 9 minutes 25 seconds East 5.58 feet; thence South 59 degrees 50 minutes 35 seconds East 18.5 feet; thence South 30 degrees 9 minutes 25 seconds West 25 feet; thence North 59 degrees 50 minutes 35 seconds West 18.5 feet; thence North 30 degrees 9 minutes 25 seconds East 19.42 feet to the point of beginning, which is the point of termination of this easement.

ADLER CO. MO.
CAMDEN CO. MO.

OSAGE BEACH



Ozarks

PROPOSED SERVICE
AREA

SCALE 1" = 2000'

APPENDIX E

OZARK SHORES WATER COMPANY FEASIBILITY STUDY

Columbia College Service Area

The proposed new area to be served by the Ozark Shores Water Company (OSWC) will generally include an incorporated area of Osage Beach, Missouri in an area referred to as the Columbia College campus and the Ozark Meadows subdivision. This area is within the current service area of the Miller County Public Water Supply District #2 (PWSD) and OSWC will be the wholesale water supplier to the PWSD. The PWSD will be OSWC's only customer in the area proposed under this application.

The OSWC intends to acquire from the Miller County Water Authority (MCWA) all of its assets that are located within the proposed service area. These assets include a state approved well, a 50,000 gallon ground storage facility, a 500,000 gallon tower and site, a transmission main that lays between the well and tower, easements along the existing water lines and an easement from the tower to the edge of the Columbia College property. The acquisition price of these facilities is based on the cost and debt MCWA has on these facilities and is anticipated to be \$600,000. OSWC stockholders intend to provide 100% equity in financing this purchase.

OSWC intends to charge \$1.22/1000 for all water sold in this proposed service area. OSWC requests that the Water Supply Agreement be approved as the applicable rate schedule for this service area since it contains the terms and conditions of service. A copy of the water supply agreement between OSWC and the PWSD is attached as Appendix A to the application. A pro forma balance sheet and income statement showing the projected effect of this new service area and the acquisition is attached as Exhibit 1 and Exhibit 2. A stand alone analysis for just this service area is attached as Exhibit 3. It is anticipated that during the first three years of operation the operating income will be \$14,113 in 1997, \$18,505 in 1998, and \$21,067 in 1999. Operating expenses are expected to be \$4,000 in 1997, \$5,000 in 1998 and \$6,000 in 1999. The PWSD has provided retail water service to the area proposed by this application. The PWSD's source of water and storage are those facilities owned by MCWA. There are no other sources of regulated or unregulated water available to this area. MCWA is selling its facilities to OSWC in order to begin liquidation of its facilities and to go out of business as a result of a complaint filed against MCWA by the PSC Staff.

Exhibit 1

**Ozark Shores Water Company
Acquisition Workpapers**

Income Statement	1995 Actual	1997 Projected
OPERATING INCOME		
INTEREST	\$44	\$8,000
WATER - RESIDENTIAL	203,113	227,113
WATER - COMMERCIAL	111,574	123,574
AVAILABILITY CHARGES	219,882	212,000
RE-CONNECT FEES	130	130
LATE CHARGES	3,956	3,956
NEW SERVICES	5,011	5,011
OTHER INCOME	0	0
WATER WHOLESALE		14,113
TOTAL OPERATING INCOME	\$543,710	\$593,897
NON OPERATING INCOME		
GAIN/LOSS ON SALE OF ASSETS/INTEREST	8,259	0
TOTAL INCOME	\$551,969	\$593,897
OPERATING EXPENSES		
ADVERTISING	\$40	\$42
BAD DEBTS	27	29
BANK CHARGES	298	315
BUILDING MAINTENANCE	3,489	3,699
CHLORINE	(579)	(614)
COMPUTER	3,041	3,223
CONTRIBUTIONS	100	106
CONSULTING SERVICES	0	0
CONTRACT SERVICES - ENGINEERING	279	296
CONTRACT SERVICES - ACCOUNTING	9,312	9,871
CONTRACT SERVICES - LEGAL	1,000	1,060
CONTRACT SERVICES - MANAGEMENT	28,205	29,897
CONTRACT SERVICES - OTHER	0	0
DUES AND SUBSCRIPTIONS	1,290	1,367
EQUIPMENT REPAIR - MAINS	10,634	11,272
EQUIPMENT REPAIR - FAX & COPIER	673	714
EQUIPMENT REPAIR - METERS	1,833	1,943
EQUIPMENT REPAIR - SERVICE	5,721	6,065
EQUIPMENT REPAIR - WELLS	7,428	7,874
FICA	7,506	7,956
FUTA	361	382
GASOLINE	6,127	6,495
INSURANCE - HEALTH & DENTAL	6,844	7,254

INSURANCE - GENERAL	1,787	1,895
INSURANCE - OTHER	1,336	1,416
INSURANCE - VEHICLES	3,441	3,647
INSURANCE - WORKERS COMP.	3,877	4,110
LEASED EQUIPMENT	7,638	8,096
LODGING	951	1,008
MAINTENANCE SUPPLIES	121	128
MATERIALS AND SUPPLIES	29	31
MEALS	1,537	1,629
METERS - NEW SERVICES	0	0
METERS - CAPITALIZED	0	0
MISCELLANEOUS	1,700	1,802
MO UNEMPLOYMENT TAX	1,094	1,159
NEW SERVICE DEVELOPER FEES	(225)	(239)
OFFICE SUPPLIES	2,834	3,004
OFFICE - MATERIALS	32	34
OTHER CHEMICALS	0	0
OTHER TAXES & LICENSES	4,051	4,295
OUTSIDE SERVICES	200	212
PENALTIES	0	0
POSTAGE	4,632	4,910
POWER FOR PUMP - WELL 1	9,703	10,285
POWER FOR PUMP - WELL 2	1,647	1,746
POWER FOR PUMP - WELL 3	19,484	20,653
POWER FOR PUMP - WELL 4	20,838	22,088
POWER FOR PUMP - BOOSTER STATION	3,461	3,669
POWER FOR PUMP - STORAGE TANK	490	520
POWER FOR PUMP - PRESSURE TANK	1,559	1,652
POWER VILLA DE LAGOS - POLE 17	3,851	0
POWER - COLUMBIA COLLEGE	0	2,400
REAL ESTATE TAX	4,989	5,288
RENT - BUILDING	8,566	9,080
RENT - EQUIPMENT	1,446	1,533
RETIREMENT PLAN	1,736	1,840
SAFETY EQUIPMENT	538	570
SALARIES, WAGES, OT	75,299	79,817
SALARY ADJ. - CAPITALIZED	0	0
TELEPHONE	4,435	4,701
TOOLS	798	846
TRAINING AND LICENSES	59	63
TRANSPORTATION	24	25
TRAVEL	1,068	1,132
UNIFORMS AND CLOTHING	641	680
UTILITIES	1,972	2,090
UTILITIES - HOUSE	0	0
UTILITIES - O/S FACILITIES	150	159
VEHICLE REPAIR & MAINTENANCE	6,005	6,365
VEHICLE LICENSES	260	275

WARRANTY EXPENSE	0	0
TOTAL OPERATING EXPENSES	<u>\$297,682</u>	<u>\$313,861</u>
NET OPERATING REVENUE	\$254,287	\$280,036
NON-OPERATING EXPENSES		
DEPRECIATION EXPENSE	47,764	80,264
AMORTIZATION EXPENSE	6,367	6,367
DEP. CIAC	(958)	
TOTAL NON-OPERATING EXPENSES	<u>\$53,173</u>	<u>\$86,631</u>
OPERATING INCOME (LOSS) BEFORE TAXES	\$201,114	\$193,405
TAXES ON INCOME	\$16,000	\$10,000
OPERATING INCOME	<u>\$185,114</u>	<u>\$183,405</u>
INTEREST	\$122,703	\$150,000
NET INCOME	<u><u>\$62,411</u></u>	<u><u>\$33,405</u></u>

Exhibit 2
Ozark Shores Water Company
Pro-forma Balance Sheet

	12/31/95	12/31/97
ASSETS		
Current Assets		
Cash	\$16,993	\$137,255
Accounts Receivable	22,316	22,316
Inventory	18,104	18,104
Prepaid Expenses	9,754	9,754
Total Current Assets	67,167	187,429
Fixed Assets		
Utility Plant, Land and Equipment	2,031,146	2,631,146
Less: Accumulated Depreciation	(123,176)	(123,176)
Net Fixed Assets	1,907,970	2,507,970
Other Assets		
Construction in Progress	389,730	0
Intangible Assets	56,846	56,846
Less: Accumulated Amortization	(12,659)	(12,659)
Total Other Assets	433,917	44,187
Total Assets	<u>\$2,409,054</u>	<u>\$2,739,586</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$31,460	\$31,460
Current Payables and Accruals	58,008	58,008
Total Current Liabilities	89,468	89,468
Long-term Liabilities		
Deferred Income Taxes	29,887	29,887
Notes Payable	1,323,305	1,743,305
Total Long-term Liabilities	1,353,192	1,773,192
Other Liabilities		
Contributions in Aid of Construction	56,604	56,604
Less: Accumulated Amortization	(1,763)	(1,763)
Net Contributions in Aid of Construction	54,841	54,841
Total Liabilities	1,497,501	1,828,033
Stockholders' Equity		
Common Stock	900	900
Paid in capital	899,100	899,100
Retained Earnings	11,553	11,553
Total Stockholders' Equity	911,553	911,553
Total Liabilities & Stockholders' Equity	<u>\$2,409,054</u>	<u>\$2,739,586</u>

EXHIBIT 3

Sales/Revenue Calculations for Wholesale Sales to MCPWSD#2

1997

Ozark Meadows	80 units @ 7,000 gal/month	=	56,000
Nursing Home	60 rooms @ 6,000 gal/month	=	360,000
Columbia College	100 students @ 20 gal/day x 22 days/mo.	=	<u>44,000</u>
	gal/mo:		964,000

$$\$1.22 \times 964 = 1176.08 \times 12 = \underline{\$14,113/\text{year}}$$

1998

1997 Totals	=	964,000
Ozark Gardens Apartments 60 x 5,000/month	=	<u>300,000</u>
	gal/mo:	1,264,000

$$\$1.22 \times 1,264 - \$1,542 \times 12 = \underline{\$18,505/\text{year}}$$

1999

1998 Totals	=	1,264,000
gal/mo		
Ozark Meadows Expansion 25 x 7,000	=	<u>175,000</u>
	gal/mo	1,439,000

$$\$1.22 \times 1,439 - \$1,756 \times 12 = \underline{\$21,067/\text{year}}$$

