

In the Matter of the Joint Application of)
Aqua Missouri, Inc. and the City of Taos,)
Missouri, for Authority to Acquire Certain Assets) Case No. _____
of Aqua Missouri, Inc., and in Connection)
Therewith, Certain Other Related Transactions.)

2. Aqua Missouri is a Missouri corporation with an office and place of business at 5402 Business Hwy. 50, Jefferson City, Missouri 65102. Aqua Missouri provided a certified copy of its certificate of good standing in Case WO-2011-0168, and Aqua Missouri asks the Commission to take notice of that filing. As relevant herein, Aqua Missouri, Inc. currently

provides water and sewer service to the public in and around the City of Taos, Cole County, Missouri. Aqua Missouri is a “sewer corporation” and a “public utility” as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. Aqua Missouri has no overdue Commission annual reports or assessment fees. There is no final unsatisfied judgment or decision against Aqua Missouri from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Joint Application. There are two pending actions involving Aqua Missouri:

Mehrhoff v. Aqua Missouri, Inc.; Callaway County Circuit Court, 10CW-CV01371; filed 12/21/2010; easement dispute;

Schwartz v. Aqua America, Inc.; Cole County Circuit Court; 11AC-CC00111; filed 2/24/2011; sewer backup dispute.

4. The City of Taos is not currently involved in any litigation, and there are no final unsatisfied judgments or decisions against the City of Taos from any state or federal agency or court.

5. Communications in regard to this Application should be addressed to:

Terry Rakocy, President
Aqua Missouri, Inc.
1100 S. Schuyler Avenue
Kankakee, Illinois 60901
(815) 614-2031
tjrakocy@aquaamerica.com

Christopher Luning, Vice President and Corporate Counsel
Aqua Development, Inc.
762 West Lancaster Avenue
Byrn Mawr, Pennsylvania 19010
(610) 645-1068
cpluning@aquaamerica.com

Rudolph L. Veit, City Attorney
Carson and Coil, P.C.
P.O. Box 28
515 E. High St.
Jefferson City, MO 65109

THE TRANSACTION

6. Aqua Missouri and the City of Taos have entered into an Asset Purchase Agreement dated December 20, 2010 (Agreement), a copy of which is attached as **Appendix A** and incorporated herein by reference. Pursuant to the Agreement, the City of Taos proposes to purchase the assets of Aqua Missouri used to operate Aqua Missouri's wastewater system, including assumption of all necessary permits.

7. Because Aqua Missouri is a sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states, in pertinent part, that "no...sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public...without having first secured from the Commission an order authorizing it so to do."

ADDITIONAL INFORMATION

8. A copy of the ordinance of the City of Taos authorizing the purchase of the subject assets and related transactions contemplated by the Agreement is attached as Appendix B. A certified copy of the resolutions of the Board of Directors of Aqua Missouri authorizing the sale is attached as Appendix C. A copy of the resolution of the Board of Aldermen for the City of Taos authorizing the signing and filing of this application is attached as Appendix D.

9. Five of the eight properties to be acquired on which the utility plants are located the Cole County Assessor GIS maps list under /in the name of the previous regulated company that sold to Aqua—Capital Utilities. The other three treatment facilities are on land owned by the developer. Some recorded agreements/resolutions provide for the land to revert back to the property owner if and when the treatment facilities are abandoned.

The assessed valuation of the five properties belong to Aqua have a total assessed value of \$73,500 that results in an annual property tax payment of \$1272.08. The City of Taos being tax exempt would not be obligated for the tax burden.

In summary, the City anticipates that the loss to the county will be minimal when reassessment takes place after the sewer system is complete or may even result in additional value when returned to original owner for beneficial use.

10. As a municipality the City of Taos is not subject to PSC regulations; therefore, the balance sheet and income statement is not required for this application.

Due to the City acquiring these facilities as necessary for the larger scope of providing a central collection and treatment system and that most will be eliminated in large part a balance

sheet would not be reflective of the system asset and liabilities except for approximately 18 month period when the new system is added into the asset accounting.

Also, these facilities are being purchased with a combination of grants and SRF loans and that allocation greatly reduces the debt that will be shown for approximately 18 months.

The City will not be carrying over the contributions in aid, depreciation, amortization, acquisition adjustments, customer deposits or other line items as a PSC regulated utility.

The balance sheet would show Plant in Service value of \$250,000 and grant and loan fund amounts that in total represent equity and long term debt.

PUBLIC INTEREST

11. The proposed acquisition of the specified assets of Aqua Missouri and the related transactions are not detrimental to the public interest and, in fact, will be consistent with and will promote the public interest. The assets of Aqua Missouri will be acquired and used by the City of Taos to provide sewer service. The City of Taos is authorized and qualified to own and operate the systems currently being operated by Aqua Missouri and to provide safe, reliable and affordable service to its residents.

12. Furthermore, a majority of voters of Taos, many of whom live in Dove Lake, Bradford Court and Twehous Acres and St. Francis Xavier voted for city installation of the central collection and treatment to eliminate existing plants and private systems. Long-term spreading the cost of a central system serving east Cole county and the Taos community will result in lower costs and provide a higher degree of treatment in a more timely manner. Existing Aqua facilities will require upgrading and still have effluents draining through the city. This project will provide one point of discharge complying with the anti-degradation requirements of the DNR.

CONTINGENT REQUEST FOR WAIVER

13. This case is not likely to be a contested case within the meaning of Commission Rule 4 CSR 240-4.020(2) because previous applications addressing the same issues presented in this filing have generally not become contested proceedings. However, in the event that the Commission nevertheless concludes that the filing of this Joint Application is likely to be a contested case, Applicants request a waiver of the sixty (60) day notice for good cause shown as permitted by Commission Rule 4 CSR 240-4.020(2)(A).

14. The reason for this request relates to the nature of an asset purchase negotiation as that which resulted in the execution of the subject Agreement and the filing of this Joint Application. It would serve no purpose to wait sixty days before filing the application for Commission approval. Accordingly, to the extent that the Commission may find it to be applicable, the parties request a waiver from the provisions of Commission Rule 4 CSR 240-4.020(2) to allow for the filing of this Joint Application.

WHEREFORE, Aqua Missouri, Inc. and the City of Taos, Missouri, respectfully request that the Commission issue its order:

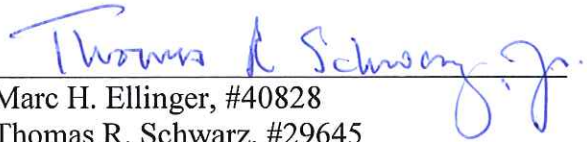
(A) authorizing Aqua Missouri, Inc. to sell and the City of Taos to acquire the assets identified herein of Aqua Missouri, Inc.; and

(B) granting such relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Joint Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,

BLITZ, BARDGETT & DEUTSCH, L.C.

By:



Marc H. Ellinger, #40828

Thomas R. Schwarz, #29645

308 East High Street, Suite 301

Jefferson City, MO 65101

Telephone: 573/634-2500

Facsimile: 573/634-3358

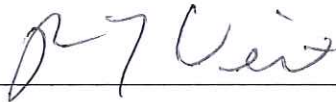
E-mail: mellinger@blitzbardgett.com

E-mail: tschwarz@blitzbardgett.com

Attorneys for Aqua Missouri, Inc.

CARSON & COIL, P.C.

By:



Rudolph L. Veit - #28213

Jason H. Ludwig - #58945

515 East High Street

P.O. Box 28

Jefferson City, Missouri 65102

(573) 636-2177

(573) 636-7119 (Fax)

Rudy.V@carsoncoil.com

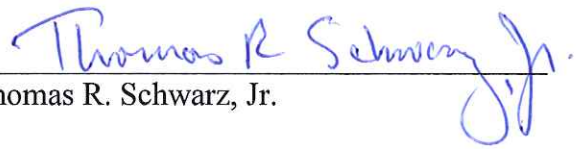
Jason.L@carsoncoil.com

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on APRIL 7, 2011, to the following:

Office of the General Counsel
Missouri Public Service Commission
Governor Office Building
P. O. Box 360
Jefferson City, MO 65102-0360
gencounsel@psc.mo.gov


Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
opcservice@ded.mo.gov



Thomas R. Schwarz, Jr.

State of Illinois)
) ss.
County of Kankakee)

Terry J. Rabe


Notary Public

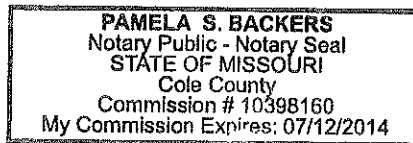


State of Missouri)
) ss.
County of Cole)

P 7 Use

Subscribed and sworn before me this 6th day of April, 2011.

Pamela S. Backers
Notary Public



ASSETS PURCHASE AGREEMENT

This Assets Purchase Agreement dated Dec 20, 2010 between the City of Taos, a municipal corporation located in the County of Cole, State of Missouri, having their mailing address at 4909 Countryside Park, Jefferson City, MO (hereinafter called "Buyer"), and

Aqua Missouri, Inc., a Missouri Public Utility Corporation having its principal office at 5402 Business Hwy. 50 W., Jefferson City Missouri 65102 (hereinafter called "Aqua");.

RECITALS

A. Aqua is a privately owned public utility corporation that owns a Wastewater System consisting of collection systems and treatment facilities operating in and around the City of Taos, County of Cole, consisting of eight (8) discreet sub-systems, as more specifically described herein.

B. Buyer is a Missouri municipal corporation that contemplates providing wastewater services to its residents not currently served by Aqua.

C. As part of its contemplated system, Buyer intends to integrate in those certain Wastewater System Assets as defined below.

D. Aqua desires to sell, and Buyer desires to purchase, the Wastewater System Assets (as defined below) upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and the covenants, representations, and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. SALE AND PURCHASE OF THE WASTE WATER SYSTEM ASSETS

1.1 Purchase and Sale

Subject to the terms and conditions hereinafter set forth, Buyer shall purchase from Aqua, and Aqua shall sell, assign, transfer, grant, convey and deliver to Buyer at the Closing (hereinafter defined), the Wastewater System Assets, free and clear of all liens and encumbrances.

1.2 Wastewater System Assets Defined

The Wastewater System Assets ("Wastewater System Assets") are defined to be: all of the assets, properties and rights of Aqua (whether tangible, real, personal or mixed), which are held and used in connection with the Wastewater System located in Cole County, consisting of collection system and treatment facilities in and around the City of Taos, consisting of systems commonly known as: 1) Cedar Grove; 2) Dove Lake; 3) Helias Drive; 4) St Francis; 5) Sunrise Meadows; 6) Twehouse Excavating; 7) Twehouse Acres; and, 8) Willibrand Acres, all of which systems serve approximately 231 customers. The systems are more generally described in

APPENDIX

A

Schedule 1 of this Agreement. Notwithstanding the foregoing, the Wastewater System Assets shall not include any of the following:

- a. customer service lines that run from the curb clean-out area to the residences.
- b. customer service lines that run from the curb stop area to the residences.
- c. piping and fixtures internal to the residences.
- d. cash on hand of Aqua and accounts receivable for any period prior to the Closing Date.
- e. deposits maintained by Aqua with any governmental authority utility deposits and any prepaid expenses related to the operation of the Wastewater System Assets
- f. escrow or other provisions made by Aqua for payment of any taxes.
- g. common assets of Aqua which are neither exclusive to nor used exclusively to provide services to the Systems as defined herein, including, without limitation, motor vehicles, movable equipment, computers, software, intellectual property and trade names.

1.3 Accounts Receivable and Billing Procedure

It is agreed that Buyer will be entitled to all customer billings with respect to wastewater service for the period on or after the Closing Date, and Aqua will be entitled to all such billings prior to the Closing Date. After the Closing, any payments received by Buyer or Aqua with respect to the wastewater service provided by the Wastewater System Assets shall belong to Buyer or Aqua as indicated on such payment or the documentation relating thereto. If such payment or the documentation relating thereto does not indicate whether such payment is for the period prior to or after Closing, the parties jointly shall determine whether the payment belongs to Buyer or Aqua. If either party receives a payment which under the terms of this Agreement properly belongs to the other party, the party in receipt of such payment shall hold such payment in trust for the other party and shall turn the payment over to the proper party upon receipt thereof without any right of setoff.

1.4 Purchase Price; Payment

a) Payment. The purchase price for the Wastewater System Assets is \$250,000 (the "Purchase Price"), payable as follows:

First Payment due at the time of full execution of this Agreement \$10,000.00

The balance of Purchase Price in the amount of \$240,000 (the "Balance") shall be paid by the Buyer at the Closing (as hereinafter defined).

1.5 Non-Assumption of Liabilities

All liabilities and obligations of Aqua shall remain the sole responsibility of Aqua, including any obligation to return customer deposits. Buyer shall not assume and shall not be liable for any liabilities or obligations of Aqua of any nature whatsoever, whether express or implied, fixed or contingent, known or unknown except for the obligation to deliver wastewater service.

1.6 Due Diligence.

Buyer shall have 120 days after execution of this Agreement (the "Due Diligence period") to perform a Due Diligence investigation of the property. During the Due Diligence period, Buyer may perform a Phase I environmental site assessment but may not conduct a Phase 2 environmental site assessment without the written consent of Seller. Should Buyer request a Phase 2 environmental assessment and Seller deny written consent, Buyer may elect by written notice to void the Agreement at Buyer's option without penalty. In the event that Buyer is not satisfied with the results of its Due Diligence investigation for any other reason, Buyer shall notify Seller in writing by the end of the Due Diligence period. If Buyer provides such notice, this Agreement shall be void without any penalty to Buyer or Aqua. Failure of Buyer to notify Seller in writing during the Due Diligence period shall end Buyer's right to void the Agreement under this subsection. During any inspection of property, Buyer shall give Aqua reasonable notice of its intent to inspect and Aqua shall have the right to be present during any inspection.

1.7 Title Matters; Surveys.

Within sixty (60) days following the date of the Agreement, the Buyer shall deliver to Seller (a) a copy of the commitment to insure title of the Owned Real Property from the title company chosen by the Buyer ("Buyer's Title Report"), together with a list of items which appear on Buyer's Title Report to which Purchase objects. Not later than 10 business days after Seller receives Buyer's Title Report and its objections, Seller shall notify Buyer which of the objections Seller shall cure prior to or at the Closing. If the Buyer is dissatisfied with, or has objections to, the quality of title, the Buyer may either terminate this Agreement or agree to accept the exceptions which appear on Buyer's Title Report (the "Permitted Exceptions") and proceed to the Closing.

2. CLOSING

2.1 Closing Date, Place and Time

Closing hereunder shall take place thirty (30) days after the last required regulatory approval. or as adjusted as necessary by mutual agreement (the "Closing"). The Closing shall

occur at the offices of Carson and Coil, P.C., located at 515 E. High Street, Jefferson City, MO, and commence at 10:00 a.m. local time. The date of the Closing is referred to herein as the "Closing Date." The effective time of the Closing shall be 12:01 a.m. on the day following the Closing Date.

2.2 Items to be delivered at Closing by Aqua

At Closing and subject to the terms and conditions herein contained, Aqua shall deliver to Buyer all title, assets, properties and rights to the Wastewater System Assets, including, without limitation, the following:

- a. A Bill of Sale and Assignment, and other instruments and documents of conveyance and transfer, all in form mutually satisfactory to Buyer and Aqua, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good title to the Wastewater System Assets, subject to appropriate notes and mortgages;
- b. Assignment of easements in a form mutually satisfactory to Buyer and Aqua, for any and all and all treatment facilities, pumping stations, sewer mains and related facilities, and for access to and the use and maintenance and operation of the Wastewater System Assets;
- c. Copies, or the originals, where appropriate, of all available agreements, contracts, commitments, leases, plans, bids, quotations, proposals, instruments, maintenance and repair records belonging to Aqua that are part of or related to the Water System Assets or Wastewater System Assets;
- d. A complete and accurate list of the names, addresses, and billing addresses of all customers and lot owners;
- e. All such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Wastewater System Assets, to include transfer of all permits to Buyer at Closing; and,
- f. Payment of the Balance, the Transfer Costs (as defined below), and the Capital Improvement Costs (as defined below).

2.3 Items to be delivered at Closing by the Buyer

At Closing and subject to the terms and conditions herein contained, the Buyer shall deliver to Aqua, the following:

- a. The Purchase Price;
- b. A certified copy of the resolution authorizing the purchase of the System;

- c. Documents necessary or required pursuant to this Agreement;
- d. All other documents and instruments as may be necessary or required to effectuate the transaction.

2.4 Transfer of Utilities

The parties will cooperate to transfer utility service, including, but not limited to, telephone and electric, as of the Closing Date. In the event service cannot be transferred in the name of Buyer as of the Closing Date, the bills shall be pro-rated as of the Closing Date.

2.5 Operation Subsequent to Transfer

Subsequent to Closing, Buyer shall be responsible for the operation of the Wastewater System Assets and Aqua shall have no further obligations in regard to such operation. Buyer shall be responsible for the closing of any treatment facilities, connecting any plants to any new or expanded system or the continued operation of said plants and all operation, maintenance and improvements to the system. Buyer agrees to hold harmless and indemnify Aqua for any and all claims resulting from the transfer of said facilities and any actions taken by Buyer subsequent to Transfer.

2.6 Risk of Loss

If the condition of the System at the time set for Closing is significantly different from the effective date of the Agreement because of acts of God, natural disasters or other unforeseen circumstances, Seller and Buyer may mutually agree, in writing, to a reduction in Purchase Price or other consideration. If Seller and Buyer cannot reach agreement within 60 days of the damaging event, Buyer or Seller may void the Agreement without any cost to either party.

2.7 Access to System

Buyer, at Buyer's cost, upon notice and consent of Aqua shall have reasonable access to the System from the effective date of the Agreement until Closing for examination of customer accounts, deeds, contracts, maps, plans and other personal property; inspections and tests of plant and equipment; and surveys and studies of real property and easements.

3. CONDITIONS PRECEDENT TO CLOSING

- a. In addition to the conditions precedent set forth in this Agreement, in the event that the conditions of paragraph 7.9 are not met on or before the Closing Date, then this Agreement shall be voidable at the option of either Aqua or Buyer without any further costs or penalty to either party.

4. REPRESENTATIONS AND WARRANTIES OF AQUA

Aqua makes the following representations and warranties that shall survive the date hereof and the Closing except as disclosed on Schedule 2, attached hereto:

a. Aqua does not have any liabilities or obligations outstanding that relate to the Wastewater System Assets or may give rise to a claim against the Wastewater System Assets.

b. Aqua has title to the Wastewater System Assets, and there are no liens, encumbrances or security interests against the Wastewater System Assets that will not be paid off by Aqua at Closing.

c. There are no pending or threatened claims regarding the Wastewater System Assets or Aqua's ability to transfer the Wastewater System Assets.

d. The Wastewater System Assets are subject to regulation by the Missouri Department of Natural Resources ("DNR"), and the Missouri Public Service Commission ("PSC").

5. COVENANTS AND ACKNOWLEDGMENTS

5.1 Buyer will prepare and file and Aqua will support an application to PSC and any other necessary agency, for the sale of the Wastewater System Assets and Buyer will assist with the transfer of permits. Buyer will undertake the necessary actions and complete the necessary paperwork for the transfer and/or assignment of any certificate of territorial authority, franchise, or the like ("CTA"), for the area served by the Wastewater System Assets, including but not limited to the preparation and prosecution of the transfer issue before the PSC. All costs associated with the transfer of the CTA will be borne by the Buyer (the "Transfer Costs").

5.2 Until the Closing of the transaction as set forth herein, Aqua will continue to operate and maintain the Assets and provide sewer service to all individuals in such area in a manner consistent with its prior provision of service and in compliance with the rules and regulations of the PSC or DNR. Such operations and maintenance by Aqua, including any repairs and/or replacement of Assets that may be necessary, will be at Aqua's sole expense, except as otherwise provided by the provisions of Section 6.3 of this Agreement.

5.3 From the Effective Date until the Closing Date, Aqua will make any and all necessary capital improvements to the Assets that it determines are necessary, in its sole discretion and will be responsible for the cost thereof; provided, however, that Buyer will reimburse Aqua for one-half of such costs up to a maximum aggregate outlay by Aqua of \$50,000, with the maximum of the Buyer's one-half contribution not to exceed \$25,000. While Aqua may elect to undertake any capital improvements and while there is no ceiling hereunder regarding the aggregate cost of such improvements determined by Aqua, in no event will Buyer's obligation for its contribution to the cost of such capital improvements exceed \$25,000 (the "Capital Improvement Costs").

6. GENERAL PROVISIONS

6.1 Notices

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if sent by regular mail where the receipt of which is confirmed by a telephone conversation, or delivered personally, or sent by overnight delivery service or registered or certified mail, postage prepaid, return receipt requested, as follows:

IF TO AQUA MISSOURI, INC.:

c/o Legal Department

762 West Lancaster Ave.

Bryn Mawr, PA 19010

IF TO BUYER:

Carson and Coil, P.C. c/o Rudy Veit

515 E. High Street

Jefferson City, MO 65101

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, or mailed.

6.2 Governing Law

This instrument shall be governed by and enforced in accordance with the laws of the State of Missouri.

6.3 Entire Agreement; Modification; Integration Clause

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto. Any and all previous agreements and understandings between or among any or all of the parties regarding the subject matter hereof, whether written or oral, are superseded by this Agreement.

6.4 Binding Effect

All terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of the parties.

6.5 Schedules

All of the Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement.

6.6 Survival

The terms and conditions of this Agreement shall survive Closing.

6.7 Representation by Counsel; Construction

Each party acknowledges and represents to the other that it has been represented by legal counsel in connection with the preparation and execution of this document and related documents, and each party therefore acknowledges and agrees that any rule of construction or interpretation of language against the drafting party shall not be applicable to this document or any related document.

6.8 Arbitration

Each party agrees to arbitrate any dispute, claim or controversy arising from, or related to this Agreement with the exception of any claim for restraints or injunctive relief. By agreeing to arbitrate each dispute, claim or controversy, subject to the limitations set forth above, each party is also agreeing to waive any right it may have to a jury trial or other proceeding in court with regard to such dispute, claim or controversy. Any such arbitration shall be conducted in Jefferson City, Missouri, in accordance with the rules of the American Arbitration Association Arbitration or at such other city closest to Jefferson City in which the American Arbitration Association conducts arbitration proceedings.

6.9 Regulatory Approval Contingency. The parties shall have received all governmental authorizations needed for the transfer, including, but not limited to, adoption and approval of an Order satisfactory to Aqua, in its sole discretion, wherein PSC and/or DNR, as may be necessary, approves and authorizes Aqua to transfer wastewater service to Buyer and authorizes Aqua to (a) transfer the assets as contemplated by this Agreement; and (b) to transfer the obligation to provide wastewater service to the Buyer. Such governmental authorizations, orders, authorizations and approvals including, but not limited to, those of the PSC and/or DNR necessary for Aqua to transfer all permits to Buyer to adequately operate the Wastewater System, and such permits as issued, shall not be subject to any further modification or appeal. Buyer shall be responsible for drafting, submitting, and prosecuting any required Sale, Transfer, and Merger application ("STM") with the PSC and/or DNR.

TAOS - AQUA
December 6, 2010

6.10 Counterparts; Facsimile Signature

This Agreement may be executed in counterparts. A facsimile copy of the signature page and signature on behalf of each party shall be effective as an original signature for purposes of showing the execution of this document.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first above written.

AQUA MISSOURI, INC.

By: _____

THE CITY OF TAOS, MISSOURI

By: *Alia J. Weaver*
Mayer of Taos, Missouri

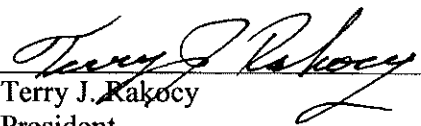
TAOS – AQUA
December 6, 2010

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IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have duly executed this Agreement on the date first above written.

AQUA MISSOURI, INC.

By: 
Terry J. Rakocy
President

THE CITY OF TAOS, MISSOURI

By: _____

Schedule 1

List of Waste Water Systems

	FACILITY	NPDES #	Method of Disposal	Receiving Stream	Design Population	Plant Capacity GPD
1	Cedar Grove Lagoon	MO-0107433	Three Cell Lagoon	Tributary to Rising Creek	52	5,200
2	Dove Lake Plant	MO-0096342	Extended Aeration	Un-named Tributary to Rising Creek	200	20,000
3	Helias Plant	MO-0114073	Extended Aeration	Sandford Creek	263	26,250
4	St. Francis Xavier	MO-0101559	Extended Aeration	Un-named Tributary to Rising Creek	130	6,000
5	Sunrise Meadows	MO-0122939	Extended Aeration	Sandford Creek	233	15,145
6	Twehous Acres	MO-0089338	Extended Aeration	Un-named Tributary to Rising Creek	146	15,000
7	Twehous Excavating	MO-0121355	Three Cell Lagoon	Un-named Tributary to Sandford Creek	39	4,000
8	Willibrand	MO-0097411	Extended Aeration	Un-named Tributary to Rising Creek	185	18,500

List of Waste Water System Assets

All of the following appurtenant to or otherwise used in conveying and or treating wastewater in the wastewater systems listed herein:

- (a) all the land, buildings, pipes, pipelines, pumping stations, storage tanks, treatment facilities, fixed generators, structures, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (b) all leasehold improvements relating to the Systems listed herein owned by Seller or in which Seller has an interest;

- (c) all supplies and inventories relating to the Systems;
- (d) all rights of Seller under any written or oral contract, easement, license, agreement, lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Systems herein listed;
- (e) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the foregoing , relating to the Systems herein listed;

Notwithstanding the failure to list anything or right herein and notwithstanding anything to the contrary herein, it is agreed that any thing or right owned or in which Aqua has an interest used for providing wastewater services exclusively for the systems described herein shall be an asset and transferred to Buyer pursuant to this agreement, and; any thing or right owned or in which Aqua has an interest which is not used for providing wastewater services exclusively for the systems described herein shall not be an asset and transferred to Buyer pursuant to this agreement. The parties agree to execute any further documents necessary to effectuate or evidence any such transfer or retention of assets.

TAOS - AQUA
December 6, 2010

Schedule 2

Exceptions to the Representation and Warranties of Seller

Bill No. 165

Ordinance No. 165

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO THE ATTACHED
AGREEMENT FOR PURCHASE OF SEWER SYSTEM

WHEREAS, the City of Taos ("Taos") is desirous of providing public sewer services for its citizens and has begun the process of building the same;

WHEREAS, some citizens of the City are currently being served by a system owned and maintained by Aqua Missouri, Inc.;

WHEREAS, Aqua Missouri, Inc. is willing to sell those portions of its existing system that currently serve some citizens of the City;

WHEREAS, the City believes that integration of Aqua Missouri, Inc.'s existing system into the public sewer system being developed by the City is both beneficial to the City's planned system and is cost effective;

WHEREAS, Aqua Missouri, Inc. and the City have negotiated a contract that is fair and reasonable, the terms of which are contained in the Assets Purchase Agreement attached hereto as Exhibit A;

WHEREAS, it is in the best interests of the City to enter into such contract;

THEREFORE, be it ordained by the Board of Alderman, City of Taos, Missouri, as follows:

1. The Mayor of the City of Taos is hereby authorized to enter in to the Asset Purchase Agreement attached hereto as Exhibit A.

First Reading:

12-7-10

Second Reading:

12-7-10

Third Reading:

12-7-10

Passed and approved this 7th day of December, 2010.

Attest:

Alicia Weaver
Mayor of Taos

Ben Hesser
City Clerk

APPENDIX

B

**AQUA MISSOURI, INC.
SECRETARY'S CERTIFICATE**

The undersigned, the duly elected, qualified and acting Secretary of AQUA MISSOURI, INC., a Missouri Corporation (the "Company"), does hereby certify that the resolutions attached hereto as Exhibit A, approving the sale of certain wastewater assets of the system in Cole County in the State of Missouri, to the city of Taos, is a true and correct copy of the resolutions duly adopted by the Board of Directors of the Company on December 1, 2010, and that such resolutions remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and affixed the seal of the Company this 8th day of March of 2011.


Secretary

(Corporate Seal)

APPENDIX

C

AQUA MISSOURI, INC.
Consent of Sole Director
December 1, 2010

THE UNDERSIGNED, being the sole member of the Board of Directors of **Aqua Missouri, Inc.** ("the Company"), a Missouri corporation, in accordance with the authority contained in the Bylaws of the Company, does hereby consent in writing that the following resolutions shall have the same force and effect as if adopted at a Special Meeting of the Board of Directors of the Company, duly called and held in accordance with law and the Bylaws of the Company.

WHEREAS, the Company proposes to sell (the "Sale") certain wastewater assets of the system located in Cole County Missouri, to the City of Taos, located in Cole County Missouri (the "Buyer") on terms that have been provided to this Board (the "Proposal");

WHEREAS, the Company negotiated a Purchase Agreement consistent with the terms of the Proposal; and

WHEREAS, the Board has determined that the Sale is in the best interests of the Company.

NOW, THEREFORE BE IT HEREBY

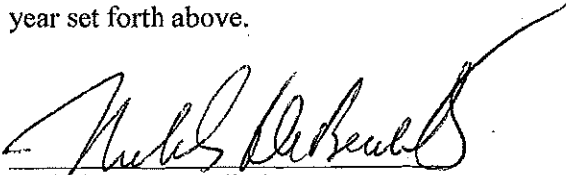
RESOLVED, that the Chairman, President and any Vice President of the Company (an "Officer"), whether acting singly or in combination, be and hereby is authorized, in the name and on behalf of the Company, to complete the closing of the Sale and to negotiate and approve all instruments and documents to be delivered hereunder or in connection therewith and to execute and deliver the same on behalf of the Company, the execution and delivery thereof by any such Officer to be conclusive evidence of such approval; and it is further

RESOLVED, that any such Officer of the Company be and hereby is authorized to file with any federal, state or local governmental agency or authority, on behalf of the Company, any such application or request for consent or approval as such Officer may deem necessary or desirable for the consummation of the Sale and the transactions contemplated in connection therewith; and it is further


RESOLVED, that any such Officer of the Company be and hereby is authorized and directed to take any and all actions and to execute and deliver on behalf of the Company such other documents as such Officer may deem necessary or desirable in order to carry out the purpose and intent of the foregoing resolutions; and it is further

RESOLVED, that all of the acts of any such Officer of the Company, whether heretofore or hereafter taken or done, which are in conformity with the purpose and intent of these resolutions, shall be hereby in all respects ratified, approved and confirmed.

IN WITNESS WHEREOF, this Consent of Sole Director has been executed as of the day and year set forth above.


Nicholas DeBenedictis

FILED with the undersigned as Secretary of the Company as of the day and yet set for above.


Maria Gordiany, Secretary

Resolution No. 2011-7

A RESOLUTION AUTHORIZING THE SIGNING AND FILING OF JOINT APPLICATION
FOR PUBLIC SERVICE COMMISSION APPROVAL OF PURCHASE OF SEWER SYSTEM

WHEREAS, the City of Taos, by ordinance No. 165 and the agreement referenced therein,
entered into an agreement for the purchase of a sewer system;

WHEREAS, in order to effectuate that agreement, it must be approved by the Missouri Public
Service Commission;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY
OF TAOS, MISSOURI, AS FOLLOWS:

Section 1: The City Attorney, Rudy Veit, is hereby authorized to sign on behalf of the
city, and thereafter submit, the Joint Application for Public Service Commission approval
of the City's purchase of the sewer system.

PASSED BY THE BOARD OF ALDERMEN OF THE CITY OF TAOS, MISSOURI, THIS
22 DAY OF MARCH, 2011.

Attest:

BW Thessen
City Clerk

Approved:

Miccia J Weaver
Mayor

APPENDIX

D