

TERRITORIAL AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Missouri-American Water Company (“MAWC”) and the Audrain Public Water Supply District No. 1 (the “District”) enter into this Territorial Agreement.

1. This Territorial Agreement is being entered into to clarify any ambiguous rights and obligations, pursuant to RSMo. §§ 247.010 and 247.670, in areas where the parties’ service territories border or overlap, and to establish exclusive rights of service as between MAWC and the District, subject to approval of the Missouri Public Service Commission (“Commission”), pertaining to water service territories in Audrain County, Missouri.

2. MAWC is a Missouri corporation with its principal office and place of business at 727 Craig Road, St. Louis, Missouri, 63141. MAWC is a Missouri corporation in good standing. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville, Riverside, Jefferson City, and parts of St. Charles, Warren, Jefferson, Morgan, Pettis, Benton, Barry, Stone, Greene, Taney, Christian, and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 458,000 customers. MAWC is a “water corporation” and a “public utility” as those terms are defined in RSMo. 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law.

3. The District is a Missouri public water supply district, created and operating pursuant to RSMo. §247.172, et seq., with the right to exclusively provide water service to a defined tract of land within Audrain County, Missouri, and a portion of the District’s service territory falls within the geographical limits of the City of Mexico, Missouri (the “City”).

4. The City entered into a franchise agreement with MAWC; and MAWC, pursuant to the rights granted to it by the City and a Certificate of Public Convenience and Necessity (“CCN”) granted by the Commission, currently provides water service to certain customers within the City.

5. The District’s service territory and MAWC’s service territory in the City currently overlap, and a dispute arose regarding each entity’s right to serve customers within the City pursuant to RSMo. §§ 247.010 and 247.670 and the rights conveyed upon MAWC with the grant of a CCN. To resolve this dispute, the parties stipulate and agree that MAWC and the District shall have the exclusive right to serve customers within the City as follows:

(a) with regard to current customers: (1) MAWC shall have the right to continue to provide all domestic water service to all of its existing customers within the limits of the City, as defined as of September 30, 2016; and (2) MAWC shall have the right to continue to provide all fire protection water service to all of its existing customers within the limits of the City, as defined as of September 30, 2016;

(b) with regard to new customers (future connections): (1) MAWC shall have the right to provide all domestic water service to all new customers (future connections) within the limits of the City, as defined as of September 30, 2016; and (2) MAWC shall have the right to provide all fire protection water service to all new customers (future connections) within the limits of the City, as defined as of September 30, 2016; and

(c) should the limits of the City be expanded through annexation on or after September 30, 2016, and to the extent said expansion overlaps with the territory currently served by the District as of September 30, 2016, MAWC shall have the right to provide all water service (domestic and/or fire protection) to all new customers and/or new developments within the expanded area requiring the installation of one or more fire hydrants and/or desiring fire protection services.

6. The parties further stipulate and agree that the following properties in the City shall no longer be served by the District and, instead, shall be served by MAWC: 2781, 2797, 2813, 2825, 2871, 2875, 2935, 2977, and 3100 S. Clark and 440 Kelley Parkway, Mexico, Missouri. All other existing customers shall remain with their current water service provider.

7. The parties stipulate and agree that the statutory exclusive provider provisions should not apply and that the terms of this Territorial Agreement should be enforced in lieu of the statutory exclusive provider provisions.

8. The parties may, from time to time, agree to allow a customer to receive service from one party even though the customer is located in the exclusive service territory of the other party. Any such agreement shall be made in the form of a mutually agreeable addendum hereto and shall conform to all applicable legal and regulatory requirements. MAWC shall make best efforts to advise the Staff of the Commission of any such addendum prior to filing for approval with the Commission, to the extent such a filing is required. Upon filing any addendum for approval with the Commission, MAWC shall file a service copy with the Staff of the Commission and the Office of the Public Counsel.

9. The effective date of this Territorial Agreement shall be the effective date of the order issued by the Commission approving the parties' Joint Application and this Territorial Agreement. The Territorial Agreement shall terminate on the date the Commission receives a notice signed by both MAWC and the District of their decision to mutually terminate this Territorial Agreement, or shall terminate on the effective date of an order of the Commission terminating this Territorial Agreement.

10. The parties negotiated this Territorial Agreement in good faith and in order to further the public interest. In reaching the terms of this Territorial Agreement, the parties considered existing franchises and took into account the provision of services to customers in the City. The Territorial Agreement only establishes amended water service territories for the Joint Applicants in specific locations within the City and does not, in any way, impact the rights or service areas of the Joint Applicants or any other water service providers under RSMo. Chapter 247 for areas not subject to this Territorial Agreement.

11. The parties stipulate and agreement that this Territorial Agreement is not detrimental of the public interest, and instead, is beneficial to the public interest, as the establishment of exclusive service territories within this geographical area may prevent future duplication of facilities, may result in economic efficiencies and future cost savings, and may benefit the public safety. The Territorial Agreement will also provide more certainty for future customers regarding their water service provider and may enhance community development in the City. Additionally, establishing these boundaries now will lessen the chances of future disputes.

12. MAWC and the District agree to undertake all actions necessary to implement this Territorial Agreement, including the preparation and submission of an application for approval to the Commission, with each party to bear its own costs and fees.

13. This Territorial Agreement shall be binding on the successors and assigns of both MAWC and the District. Neither party shall make assignment of any of its rights, obligations, or interests under this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld.

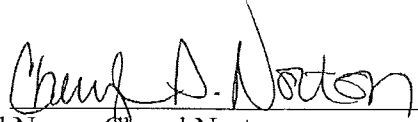
14. This Territorial Agreement may be executed by facsimile or other electronic signature, which shall have the same effect as an original signature, and this Territorial

Agreement may be executed in counterparts, each of which will be deemed original but shall together constitute the same instrument.

IN WITNESS WHEREOF, the parties have entered into this Territorial Agreement, as evidenced below by the signatures of their duly authorized representatives.

MISSOURI-AMERICAN WATER COMPANY:

Executed this 11th day of January, 2017.

By: 
Printed Name: Cheryl Norton
Title: President

AUDRAIN PUBLIC WATER SUPPLY DISTRICT NO. 1:

Executed this _____ day of January, 2017.

By: _____
Printed Name: _____
Title: _____

Agreement may be executed in counterparts, each of which will be deemed original but shall together constitute the same instrument.

IN WITNESS WHEREOF, the parties have entered into this Territorial Agreement, as evidenced below by the signatures of their duly authorized representatives.

MISSOURI-AMERICAN WATER COMPANY:

Executed this _____ day of January, 2017.

By: _____
Printed Name: _____
Title: _____

AUDRAIN PUBLIC WATER SUPPLY DISTRICT NO. 1:

Executed this 10th day of January, 2017.

By: Thomas Reed Jr
Printed Name: THOMAS REED JR
Title: BOARD PRESIDENT