



T0634903608

File Number: 20060134822K
Date Filed: 12/14/2006 12:19 PM
Robin Carnahan
Secretary of State

A. NAME & PHONE OF CONTACT AT FILER [optional]

David Eric Reid, Esq. (816-391-7656)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Bryan Cave LLP
1200 Main Street, 35th Floor
Kansas City, Missouri 64105

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THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

Missouri-American Water Company

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

727 Craig Road

CITY

Creve Coeur

STATE

MO

POSTAL CODE

63141

COUNTRY

USA

1d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

Corporation

1f. JURISDICTION OF ORGANIZATION

Missouri

1g. ORGANIZATIONAL ID #, if any

MO00001468

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

U.S. Bank National Association

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

CITY

Philadelphia

STATE

PA

POSTAL CODE

19102

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING
6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] All Debtors ☐ Debtor 1 ☐ Debtor 2
8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR

Missouri-American Water Company

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

11c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

11d. SEE INSTRUCTIONS

ADD'L INFO RE
ORGANIZATION
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID #, if any

☐ NONE

12. ☒ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

OR

UMB Bank & Trust, N.A.

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

12c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2 South Broadway, Suite 435

St. Louis

MO

63102

USA

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

See the attached which is filed in accordance with Section 443.451 of the Revised Statutes of Missouri, as amended.

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☒ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years

☐ Filed in connection with a Public-Finance Transaction — effective 30 years

**EIGHTEENTH SUPPLEMENTAL INDENTURE
(SUPPLEMENTAL TO INDENTURE OF MORTGAGE DATED AS OF MAY 1, 1968)**

Date: As of December 1, 2006

Grantor: Missouri-American Water Company
727 Craig Road
Creve Coeur, Missouri 63141

Grantees: U.S. BANK NATIONAL ASSOCIATION
Corporate Trust Services
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Philadelphia, Pennsylvania 19102

and

UMB BANK & TRUST, N.A.
2 South Broadway, Suite 435
St. Louis, Missouri 63102

Legal

Description: See Exhibit B

This instrument was prepared by and
when recorded return to:

David Eric Reid, Esq.
Bryan Cave LLP
1200 Main Street, Suite 3500
Kansas City, Missouri 64105

This is an **EIGHTEENTH SUPPLEMENTAL INDENTURE**, dated as of December 1, 2006, made by and between **MISSOURI-AMERICAN WATER COMPANY** (successor by merger to Missouri Cities Water Company, St. Louis County Water Company and Jefferson City Water Works Company), a corporation duly organized and existing under the laws of the State of Missouri (hereinafter called the "**Company**"), and **U.S. BANK NATIONAL ASSOCIATION** (formerly Wachovia Bank, National Association, formerly First Union National Bank, formerly Fidelity Bank, National Association, formerly First Fidelity Bank, N.A., Pennsylvania, formerly Fidelity Bank, National Association and formerly The Fidelity Bank), a national banking association having its office in the City of Philadelphia, Commonwealth of Pennsylvania (hereinafter called the "**Trustee**") and **UMB BANK & TRUST, N.A.**, successor trustee to State Street Bank and Trust Company of Missouri, N.A., in turn successor trustee to Mercantile Bank of Western Missouri (formerly Mercantile Bank of Joplin, formerly Mercantile Bank of Joplin National Association, formerly First National Mercantile Bank and Trust Company, successor to William B. Ebert), a national banking association having its office in the City of St. Louis, State of Missouri (hereinafter called the "**Local Trustee**," together with the Trustee, the "**Trustees**").

RECITALS

The background of this Eighteenth Supplemental Indenture is:

A. The Company has heretofore executed and delivered to the Trustees, (a) its Indenture of Mortgage dated as of May 1, 1968 (hereinafter sometimes referred to as the "**Original Indenture**"), (b) a First Supplemental Indenture dated as of March 1, 1971 (hereinafter sometimes referred to as the "**First Supplemental Indenture**"), (c) a Second Supplemental Indenture dated as of October 1, 1975 (hereinafter sometimes referred to as the "**Second Supplemental Indenture**"), (d) a Third Supplemental Indenture dated as of October 1, 1980 (hereinafter sometimes referred to as the "**Third Supplemental Indenture**"), (e) a Fourth Supplemental Indenture dated as of January 1, 1984 (hereinafter sometimes referred to as the "**Fourth Supplemental Indenture**"), (f) a Fifth Supplemental Indenture dated as of September 1, 1986 (hereinafter sometimes referred to as the "**Fifth Supplemental Indenture**"), (g) a Sixth Supplemental Indenture dated as of February 1, 1990 (hereinafter sometimes referred to as the "**Sixth Supplemental Indenture**"), (h) a Seventh Supplemental Indenture dated as of January 1, 1993 (hereinafter sometimes referred to as the "**Seventh Supplemental Indenture**"), (i) an Eighth Supplemental Indenture dated as of March 1, 1994 (hereinafter sometimes referred to as the "**Eighth Supplemental Indenture**"), (j) a Ninth Supplemental Indenture dated as of January 1, 1995 (hereinafter sometimes referred to as the "**Ninth Supplemental Indenture**"), (k) a Tenth Supplemental Indenture dated as of March 1, 1995 (hereinafter sometimes referred to as the "**Tenth Supplemental Indenture**"), (l) an Eleventh Supplemental Indenture dated as of July 1, 1996 (hereinafter sometimes referred to as the "**Eleventh Supplemental Indenture**"), (m) a Twelfth Supplemental Indenture dated as of June 1, 1997 (hereinafter sometimes referred to as the "**Twelfth Supplemental Indenture**"), (n) a Thirteenth Supplemental Indenture dated as of February 1, 1998 (hereinafter sometimes referred to as the "**Thirteenth Supplemental Indenture**"), (o) a Fourteenth Supplemental Indenture dated as of November 1, 1998 (hereinafter sometimes referred to as the "**Fourteenth Supplemental Indenture**"), (p) a Fifteenth Supplemental Indenture dated as of March 1, 2000 (hereinafter sometimes referred to as the "**Fifteenth Supplemental Indenture**"), (q) a Sixteenth Supplemental Indenture dated as of December 31, 2001 (hereinafter sometimes referred to as the "**Sixteenth Supplemental Indenture**"), and (r) a Seventeenth Supplemental Indenture, dated as of April 1, 2002 (hereinafter sometimes referred to as the "**Seventeenth Supplemental Indenture**"), the Original Indenture and any and all indentures supplemental thereto being sometimes referred to hereinafter as the "**Indenture**," to secure the payment of the principal of and premium (if any) and interest on all bonds at any time issued and outstanding thereunder and to declare the terms and conditions upon which such bonds may be issued.

B. The Company has heretofore executed, issued and delivered and the Trustee has authenticated and delivered under the Indenture (a) \$3,350,000 aggregate principal amount of General Mortgage Bonds, 7-3/8% Series due July 1, 1993, all of which bonds have been redeemed, (b) \$600,000

aggregate principal amount of General Mortgage Bonds, 9-1/4% Series due April 1, 1996, all of which bonds have been redeemed, (c) \$1,400,000 aggregate principal amount of General Mortgage Bonds, 12-1/4% Series due October 1, 2000, all of which bonds have been redeemed, (d) \$4,000,000 aggregate principal amount of General Mortgage Bonds, 8.66% Series due September 1, 1996, all of which bonds have been redeemed, (e) \$5,700,000 aggregate principal amount of General Mortgage Bonds, 9.01% Series due February 15, 2005, all of which bonds have been redeemed, (f) \$5,000,000 aggregate principal amount of General Mortgage Bonds, 5.50% Series due January 1, 2023, \$4,890,000 of which bonds are presently outstanding, (g) \$12,500,000 aggregate principal amount of General Mortgage Bonds, 7.14% Series due March 1, 2034, all of which bonds are presently outstanding, (h) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 8.58% Series due March 1, 2025, all of which bonds are presently outstanding, (i) \$6,000,000 aggregate principal amount of General Mortgage Bonds, 5.85% Series due July 1, 2026, all of which bonds are presently outstanding, (j) \$8,000,000 aggregate principal amount of General Mortgage Bonds, 7.79% Series due June 1, 2027, all of which bonds are presently outstanding, (k) \$4,500,000 aggregate principal amount of General Mortgage Bonds, 5.0% Series due February 1, 2028, all of which bonds are presently outstanding, (l) \$19,000,000 aggregate principal amount of General Mortgage Bonds, 5.0% Series due November 1, 2028, \$18,985,000 of which bonds are presently outstanding, (m) \$29,000,000 aggregate principal amount of General Mortgage Bonds, 5.90% Series due March 1, 2030, all of which bonds are presently outstanding, and (n) \$15,000,000 aggregate principal amount of General Mortgage Bonds, 5.20% Series due April 1, 2032, all of which bonds are presently outstanding.

C. The Company, in the exercise of the powers and authority conferred upon or reserved to it by the provisions of the Original Indenture and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustees this eighteenth supplemental indenture (hereinafter sometimes referred to as the **"Eighteenth Supplemental Indenture"**) in order to create and provide for the issue of a new series of bonds (to be known as **"bonds of the 4.60% Series"** as hereinafter provided in this Eighteenth Supplemental Indenture and in the form of bond attached hereto as **Exhibit A**) and to prescribe with respect to the bonds of the 4.60% Series certain particulars as required by paragraph 2 of Section 2.03 of the Original Indenture.

D. The Company proposes to enter into a Loan Agreement (the **"Loan Agreement"**) with the State Environmental Improvement and Energy Resources Authority (State of Missouri) (the **"Authority"**) to provide for the payment of a proposed issue by the Authority of \$57,480,000 principal amount of Water Facilities Refunding Revenue Bonds (Missouri-American Water Company Project) Series 2006, dated as of even date herewith (the **"Series 2006 Bonds"**), issued pursuant to a Bond Trust Indenture, dated as of even date herewith (the **"Series 2006 Bond Indenture"**) between the Authority and U.S. Bank National Association, as trustee (the **"Series 2006 Bond Trustee"**), for the purpose of providing funds to pay the costs of refinancing certain water facilities of the Company, pursuant to the provisions of Sections 260.005 to 260.125, inclusive, of the Revised Statutes of Missouri, as amended, and Appendix B(1), thereto.

E. The Company proposes to procure the authentication and delivery of an issue of \$57,480,000 aggregate principal amount of bonds of the 4.60% Series.

F. All things necessary to make the bonds of the 4.60% Series, when duly executed by the Company and authenticated and delivered by the Trustee and issued by the Company as in this Eighteenth Supplemental Indenture provided, the valid, binding and legal obligations of the Company, entitled to the benefits and security of the Indenture, and to make this Eighteenth Supplemental Indenture a valid, binding and legal instrument in accordance with its terms, have been done and performed, and the issue hereunder of the bonds of the 4.60% Series has in all respects been duly authorized.

NOW, THEREFORE, THIS EIGHTEENTH SUPPLEMENTAL INDENTURE WITNESSETH that the Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance by the registered owners thereof of the

bonds of the 4.60% Series as may be issued under the Indenture, and of One Dollar, to it duly paid by the Trustees at or before the enrolling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order further to secure the payment of the principal of and premium (if any) and interest on all bonds at any time issued and outstanding under the Indenture, according to their tenor and effect and the performance and observance by the Company of all the covenants and conditions in such bonds and in the Indenture contained, and intending to be legally bound, does hereby ratify and confirm its mortgage and pledge to the Trustees of all property described in the granting clauses of the Indenture (except such thereof as may heretofore have been released from the lien of the Indenture in accordance with the terms thereof), and has heretofore granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge, set over and confirm, unto U.S. Bank National Association and UMB Bank & Trust, N.A., as Trustees, and to their successors in the trust, and to them and their assigns, forever, all those pieces or parcels of land more particularly identified in **Exhibit B** hereto, which exhibit is hereby incorporated in and made apart of this Granting Clause as if set forth herein in full.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property, rights, and franchises or any part thereof, with the reversion and reversions, remainder and remainders, and to the extent permitted by law, all tolls, rents, revenues, issues, income, product and profits thereof, and all the estate, right, title, interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property, rights and franchises and every part and parcel thereof.

SAVING AND EXCEPTING, HOWEVER, from the property hereby mortgaged and pledged all of the property of every kind and type saved and excepted from the Original Indenture by the terms thereof.

SUBJECT, HOWEVER, to the exceptions, reservations and matters of the kind and type recited in the Indenture, including, without limitation (a) Permitted Encumbrances, as defined in Article XVI of the Original Indenture, and (b) the prior liens and all the provisions of the mortgages heretofore assumed by the Company which are referred to below and which encumber certain property of the Company in various counties in which the Company operates, and said mortgages as heretofore supplemented and amended, and as hereafter supplemented and amended for any purposes permitted thereby other than the creation of additional series of bonds thereunder:

<u>Mortgage</u>	<u>Mortgagor</u>	<u>Mortgagee</u>
Indenture of Mortgage and Deed of Trust dated as of December 1, 1942, as supplemented and amended	St. Louis County Water Company	UMB Bank, N.A. (as multiple successor to Mississippi Valley Trust Company)

TO HAVE AND TO HOLD all said premises, property, assets, rights and franchises granted, bargained, sold, released, conveyed, transferred, assigned, mortgaged, pledged, set over or confirmed by the Company as aforesaid or intended so to be unto the Trustees and their successors in the trust, and to them and their assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and trusts set forth in the Original Indenture for the equal and proportionate benefit and security of those who shall own the bonds issued and to be issued under the Indenture or any of them, without preference, priority or distinction of any of said bonds over any others thereof by reason of priority in the time of the issue or negotiation thereof or by reason of the date or maturity thereof, or for any other reason whatsoever, so that all bonds at any time issued and outstanding under the Indenture shall have the same right, lien and preference under and by virtue thereof, and shall all be equally secured thereby, with like effect as if they had all been executed, authenticated and delivered simultaneously on the date of the Original Indenture; provided that the bonds of different series may contain

different terms and conditions than the bonds of other series in the respects set forth in Section 1.03 of the Original Indenture; and provided, further; that the Company may in any indenture supplemental to the Original Indenture add to the conditions, limitations, restrictions, covenants and agreements of the Original Indenture, in the manner set forth in clauses (a) and (b) of Section 12.01 thereof, as amended and supplemented by Part III, Section 5, of the Third Supplemental Indenture for the sole benefit of any one or more series of bonds.

AND THIS EIGHTEENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that the Company, for itself and its successors, does hereby covenant and agree to and with the Trustees and their successors in the trust, for the benefit of those who shall own said bonds or any of them, as follows:

**PART I
GENERAL MORTGAGE BONDS, 4.60% SERIES**

Section 1. A series of bonds to be issued under the Indenture and secured thereby is hereby created which shall be designated as, and shall be distinguished from the bonds of all other series by the title, "General Mortgage Bonds, 4.60% Series due December 1, 2036" herein called the "bonds of the 4.60% Series". The following terms are hereby prescribed for the bonds of the 4.60% Series, in accordance with paragraph 2 of Section 2.03 of the Indenture:

(a) The aggregate principal amount of the bonds of the 4.60% Series is limited to \$57,480,000.

(b) The bonds of the 4.60% Series shall be issuable in denominations of Five Thousand Dollars (\$5,000) and any multiple thereof, shall be numbered consecutively MR-1 and upwards, and shall all be registered bonds without coupons. All bonds of the 4.60% shall be assigned to, and registered in the name of, the Series 2006 Bond Trustee and may not be transferred except to a successor trustee under the Series 2006 Bond Indenture.

(c) All bonds of the 4.60% Series shall be due December 1, 2036.

(d) The principal of and the premium (if any) and the interest on the bonds of the 4.60% Series shall be payable at the office of the Trustee in the City of Philadelphia, Pennsylvania (or, if there be a successor trustee, at its office), in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, provided that the principal and the premium, if any, and interest may be paid by agreement of the Company with the registered owner of the bond, by check mailed or bank wire transfer to the person entitled thereto at the address specified in such agreement, subject, in the case of payment in full of the principal of the bond, to the presentation of the bond as provided in the Indenture.

(e) The bonds of the 4.60% Series shall be dated as of December 20, 2006, except that if any bond of the 4.60% Series shall be authenticated on any interest payment date it shall be dated as of the day next following such interest payment date. All bonds of the 4.60% Series shall bear interest until the principal thereof is paid or duly provided for, at the rate of four and sixty hundredths percent (4.60%) per annum, payable semi-annually on the business day next preceding June 1 and December 1 each year, commencing on the business day next preceding June 1, 2007, and to pay interest on overdue principal, premium, if any, or installment of interest (to the extent permitted by law) at the rate per annum above specified. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months and every bond of the 4.60% Series dated prior to June 1, 2007 shall bear interest from the dated date thereof.

(f) The bonds of the 4.60% Series shall not contain any provisions as to the payment of principal or interest without deduction for, or as to reimbursement of, taxes.

(g) The bonds of the 4.60% Series shall only be redeemable at the price and on the conditions stated in the form of bond set forth in **Exhibit A** hereto, any such redemption to be effected in accordance with the provisions of Article IV of the Original Indenture.

(h) There shall not be any sinking, purchase or analogous fund for the retirement of bonds of the 4.60% Series.

(i) The bonds of the 4.60% Series shall not be convertible.

(j) The bonds of the 4.60% Series shall be exchangeable only as provided in the Original Indenture.

(k) Except as hereinafter provided in **Part III** of this Eighteenth Supplemental Indenture, there are no provisions or agreements in respect of the bonds of the 4.60% Series which are for the sole benefit thereof.

(l) The text of the bonds of the 4.60% Series and of the authentication certificate of the Trustee upon such bonds shall be, respectively, substantially of the tenor and effect set forth in **Exhibit A** hereto.

PART II

ISSUANCE OF BONDS OF THE 4.60% SERIES

The bonds of the 4.60% Series, as hereinabove defined in Recital C, may be executed by the Company and delivered to the Trustee for authentication, and shall be authenticated and delivered by the Trustee to or upon the order of the Company (which authentication and delivery may be made without awaiting the filing or recording of this Eighteenth Supplemental Indenture), upon receipt by the Trustee of the resolutions, certificates, orders, opinions and other instruments required by the provisions of Sections 2.03 and 2.04 of the Original Indenture to be received by the Trustee as a condition to the authentication and delivery of bonds.

PART III

COVENANTS WITH RESPECT TO BONDS OF THE 4.60% SERIES

Section 1. Exclusive Benefit Covenants. The covenants, agreements and conditions contained in this **Part III** are solely for the protection and benefit of the registered owners of the bonds of the 4.60% Series and Ambac Assurance Corporation, as bond insurer of the Series 2006 Bonds (the "**Bond Insurer**"), and are therefore Exclusive Benefit Covenants as defined in the Indenture, and the right to (i) require the Trustee to declare a default under, (ii) waive a default under, (iii) waive compliance with, or (iv) amend, any of such Exclusive Benefit Covenants shall be vested in the Bond Insurer or, with the written consent of the Bond Insurer, in the registered owners of not less than sixty-six and two-thirds per cent (66 2/3%) in principal amount of the bonds of the 4.60% Series then outstanding. No benefits by reason of such Exclusive Benefit Covenants shall be deemed to be conferred upon persons other than the registered owners of the bonds of the 4.60% Series, the Bond Insurer, the Trustee and the Company. All bonds of the 4.60% Series will be assigned by the Authority to the Series 2006 Bond Trustee who will act on behalf of the beneficial owners of the Series 2006 Bonds in accordance with the provisions of the Series 2006 Bond Indenture.

Section 2. Covenants With Respect to Issuance of Additional Bonds.

(a) So long as any of the bonds of the 4.60% Series are outstanding, without the consent of the Bond Insurer and the registered owners of not less than sixty-six and two-thirds percent (66 2/3%) in principal amount of the bonds of the 4.60% Series then outstanding, the Company shall not issue and the Trustee shall not authenticate additional bonds under Section 2.03 or Section 2.04 of the Original Indenture unless the net income of the Company has been equal to at least one and one-half times the aggregate annual interest charges on all Long Term Debt outstanding immediately after such bonds are issued. The Company shall meet the requirements of this **Section 2** by delivering to the Trustee (together with the resolutions, opinions, certificates and instruments provided for in Section 2.03 and Section 2.04 of the Original Indenture) a "Certificate of Required Net Income for Debt" which shall state in substance that the net income of the Company, calculated as hereinafter provided, for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the first day of the month in which the additional bonds are to be issued by the Trustee has been equal to at least one and one-half times the aggregate annual interest charges on all Long Term Debt of the Company to be outstanding immediately after such bonds are issued; provided, however, that in all calculations of such net income effect shall be given to the issue or retirement of any indebtedness that will be accomplished prior to or on the date of such issue and there shall be excepted from such Long Term Debt any thereof for the payment or redemption of which moneys in the necessary amounts have been irrevocably set aside by the Company or deposited with the Trustee or other holder of mortgage or other lien securing any such Long Term Debt. The Certificate of Required Net Income for Debt shall be signed by the President or a Vice President and by the Treasurer or the Assistant Treasurer of the Company and shall set forth the amount of the net income of the Company for such 12-month period, shall itemize by issue and series the Long Term Debt so to be outstanding and state the aggregate principal amount of each such issue and series and the interest charges thereon for a period of one year. It shall show the method of calculation of such net income to be as follows:

From the total income (except amortization of premium on debt), whether credited to surplus or otherwise, of the Company, from all sources (which shall not include income or losses from the sale of capital assets but shall include as a credit interest charged to construction) for the period in question, there shall be deducted all operating and nonoperating expenses and charges, including maintenance and depreciation as is determined by its Board of Directors in accordance with established practice of the Company, taxes (except as hereinafter provided) and rentals paid or accrued in respect of the properties, license fees and franchise taxes paid or accrued and taxes based upon gross income, gross revenues or gross receipts, but excluding from such deductions Federal and State taxes based on net income paid or accrued, interest charges on indebtedness of the Company, amortization of debt discount and expense, write-downs of property, or other adjustments, and similar items. Any increase or decrease in gross revenues of the Company attributable to higher or lower rates that have been in effect for less than the full 12-month period on which such calculation is based shall be annualized, and there shall also be annualized such related fixed expenses and charges as are known to the principal officers of the Company. In case, within or after the period for which the computation of net income of the Company is made, the Company shall have acquired any property (including an acquisition by merger), such acquired property may be treated as having been owned by the Company for the whole of such period of computation and the net income thereof for such period may, at the option of the Company, be included in the net income of the Company, and there shall be excluded, in computing such net income, an amount equal to the net income estimated by the Company to be applicable to any property sold or disposed of by the Company after the beginning of such period of computation.

(b) For the purposes of this **Section 2**, all determinations of net income shall be made in accordance with the rules and regulations of any governmental body or agency under the jurisdiction of

which the Company may be operating, or if there be no such agency or no such rules or regulations, then in accordance with generally accepted accounting principles.

(c) The provisions of this **Section 2** shall not limit the power of the Company to issue nor the Trustee to authenticate bonds under the provisions of Sections 1.04 through 1.11, inclusive, of the Original Indenture in connection with exchanges and transfers.

Section 3. Covenants with Respect to Payments of Principal, Premium (if any) and Interest. The Company covenants and agrees that it will duly and punctually pay to the Holder of the bonds of the 4.60% Series the principal, premium (if any) and interest of said bonds at the dates and place and in the manner provided in such bonds; provided, however:

(a) Payments of the principal of, premium, if any, and interest on the Series 2006 Bonds may be made with moneys in the Bond Fund established pursuant to the Series 2006 Bond Indenture relating to the Series 2006 Bonds, including any monies in such Fund and constituting proceeds on investments, as provided in the Loan Agreement and the Series 2006 Bond Indenture. Money in said Bond Fund constituting proceeds from the sale of the Series 2006 Bonds or earnings on investments which have been set aside by the Series 2006 Bond Trustee under the Series 2006 Bond Indenture at the request of the Company for payment of the principal of (whether at maturity or upon redemption), premium, if any, or interest on any Series 2006 Bond shall be credited against the obligation of the Company to pay the principal of, premium, if any, or interest on bonds of the 4.60% Series.

(b) The principal amount of any of the Series 2006 Bonds acquired by the Company and delivered to the Series 2006 Bond Trustee under the Series 2006 Bond Indenture shall be credited against the obligation of the Company to pay the principal of the bonds of the 4.60% Series at maturity on December 1, 2036.

The Company shall promptly inform the Trustee of all payments made and credit availed of pursuant to this Section with respect to its obligations on bonds of the 4.60% Series. The Trustee, however, shall not be required to recognize any payment made or credit availed of pursuant to this Section as a payment on the bonds of the 4.60% Series until it shall have received a certificate from the Series 2006 Bond Trustee under the Series 2006 Bond Indenture specifying the amount of such payment or credit and stating that such payment or credit has been applied against payments required on the Series 2006 Bonds. In addition, the certificate shall specify the interest or principal obligations with respect to which the payment or credit was applied.

Section 4. Payments Made by Bond Insurer not to Affect Determination of an "Event of Default". In determining whether an event of default has occurred under the Indenture, the Trustee shall not give effect to any payments made by the Bond Insurer under the Bond Insurance Policy issued by the Bond Insurer guaranteeing payment of principal of, and interest on, the Series 2006 Bonds.

Section 5. Written Consent of the Bond Insurer Required Prior to Certain Amendments to the Indenture; Notice to Rating Agencies.

(a) In addition to the applicable requirements of Articles XII and XV of the Original Indenture, the Indenture may be amended from time to time, except with respect to (i) the principal, premium, if any, or interest payable upon the bonds of the 4.60% Series, (ii) the interest payment dates, date of maturity or redemption provisions of the bonds of the 4.60% Series, (iii) the security interest and lien granted under the Indenture, and (iv) this **Part III**, without the prior written consent of the Bond Insurer. Nothing herein contained shall require any consent by the Bond Insurer to any supplemental indenture which authorizes the issuance of any new series of bonds under the Indenture, so long as such supplemental indenture does not otherwise amend the Indenture as described in the foregoing provisions of this subsection (a).

(b) In the case of any amendment to the Indenture requiring the prior written consent of the Bond Insurer by virtue of **Section 5(a)** above, written notice of such amendment shall also be given by the Company to any rating agency then maintaining a rating with respect to the Series 2006 Bonds.

Section 6. The Trustee shall not incur any liability by reason of any default, failure or delay on the part of the Company to observe or perform its covenants contained in this **Part III**.

PART IV THE TRUSTEES

The Trustees hereby accept the trusts hereunder and agree to perform the same, but only upon the terms and conditions set forth in the Original Indenture, as heretofore amended and supplemented, and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Eighteenth Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XI of the Original Indenture shall apply to this Eighteenth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such amendments, omissions, variations and modifications thereof as may be appropriate to make the same conform to this Eighteenth Supplemental Indenture.

PART V REAFFIRMATION OF INDENTURE

The covenants, agreements, conditions, limitations and restrictions in the Indenture are hereby reaffirmed to the same extent as if they were herein set forth in full, except insofar as any of the provisions thereof may be inconsistent with any of the provisions herein and to the extent of such inconsistency, the provisions contained herein shall prevail.

PART VI MISCELLANEOUS PROVISIONS

For all purposes hereof, all terms contained in this Eighteenth Supplemental Indenture shall, except as the context may otherwise require or as provided herein, have the meanings given to such terms in the Original Indenture.

This Eighteenth Supplemental Indenture may be simultaneously executed in any number of counterparts and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, MISSOURI-AMERICAN WATER COMPANY has caused these presents to be signed in its corporate name by its President and attested by its Secretary, and U.S. BANK NATIONAL ASSOCIATION has caused these presents to be signed in its corporate name by one of its authorized representatives and attested by an authorized officer, and UMB BANK & TRUST, N.A., has caused these presents to be signed in its corporate name by one of its Vice Presidents or one of its Assistant Vice Presidents and attested by its Secretary or one of its Assistant Secretaries, all as of the day and year first above written.

MISSOURI-AMERICAN WATER COMPANY

By: Terry L. Gloriod
Name: Terry L. Gloriod
Title: President

ATTEST:

By: Martin D. Kerckhoff
Name: Martin D. Kerckhoff
Title: Secretary

Signed and delivered by MISSOURI-AMERICAN WATER COMPANY in the presence of:

Ch. Miller
Nicia St. Edwards

ACKNOWLEDGMENT

STATE OF MISSOURI)
COUNTY OF St. Louis) ss

On this 11th day of December, 2006, before me appeared Terry L. Gloriod, to me personally know, who, being by me duly sworn, did say that he is the President of Missouri-American Water Company and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and acknowledged said instrument to 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.

Staci A. Olsen
Notary Public
Printed Name: _____

My commission expires:

Staci A. Olsen
Notary Public - Notary Seal
State of Missouri
St. Charles County
Commission # 05519210
My Commission Expires: March 20, 2009



U.S. BANK NATIONAL ASSOCIATION

By: 
Name: TERENCE C. McPOYLE
Title: VICE PRESIDENT

ATTEST:

By: 
Name: RALPH E. JONES
Title: VICE PRESIDENT

Signed and delivered by U.S. BANK
NATIONAL ASSOCIATION in the presence of:

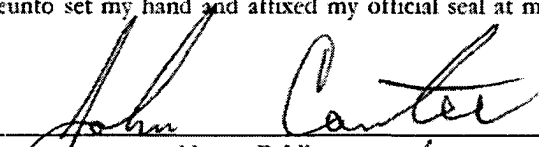



ACKNOWLEDGMENT

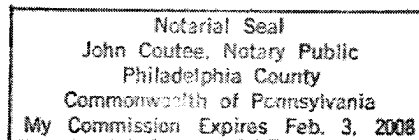
COMMONWEALTH OF PENNSYLVANIA)
) ss
COUNTY OF PHILADELPHIA)

On this 16th day of December, 2006, before me appeared TERENCE C. McPoyle to me personally know, who, being by me duly sworn, did say that he is a Vice President of U.S. Bank National Association, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said Vice President acknowledged said instrument to 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.


Notary Public
Printed Name: John Coutee

My commission expires:



U.S. Bank National Association, mortgagee and trustee within named, hereby certifies that its precise name and address are U.S. Bank National Association, 2 Liberty Place, 50 South 16th Street, Suite 2000, Mail Station: EX-PA-WBSP, Philadelphia, Pennsylvania 19102.

U.S. BANK NATIONAL ASSOCIATION

By: 
Authorized Representative

UMB BANK & TRUST, N.A.

By: *Laura Roberson*
Name: LAURA S. ROBERSON
Title: VICE PRESIDENT

ATTEST:

By: *R. L. F. Novosak*
Name: RICHARD E. NOVOSAK
Title: ASST. VICE PRESIDENT

Signed and delivered by UMB BANK &
TRUST, N.A. in the presence of:

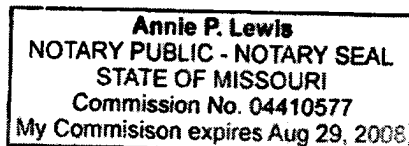
Nanci A. Myers
ASSISTANT VICE PRESIDENT

ACKNOWLEDGMENT

STATE OF MISSOURI)
City St. Louis) ss
COUNTY OF St. Louis)

On this 7th day of December, 2006, before me appeared LAURA S. ROBERSON to me personally know, who, being by me duly sworn, did say that he is a VICE PRESIDENT of UMB Bank & Trust, N.A., and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and said LAURA S. ROBERSON acknowledged said instrument to 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.



Annie P. Lewis
Notary Public
Printed Name: Annie P. Lewis

My commission expires:

Aug. 29, 2008

EXHIBIT A

FORM OF BOND OF 4.60% SERIES

No. MR-1

\$57,480,000

MISSOURI-AMERICAN WATER COMPANY

GENERAL MORTGAGE BOND, 4.60% SERIES DUE DECEMBER 1, 2036

MISSOURI-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the State of Missouri (hereinafter called the **"Company"**, which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to State Environmental Improvement and Energy Resources Authority (State of Missouri), or registered assigns, on December 1, 2036, at the office of the Trustee hereinafter named in the City of Philadelphia, Pennsylvania (or, if there be a successor trustee, at its office), the sum of **FIFTY-SEVEN MILLION FOUR HUNDRED EIGHTY THOUSAND DOLLARS (\$57,480,000)** in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and to pay interest thereon to the registered owner hereof, at said office, from the interest payment date next preceding the date of this bond (or, if this bond be dated prior to June 1, 2007 from December 20, 2006) until the principal hereof is paid or duly provided for, at the rate of four and sixty hundredths per centum (4.60%) per annum, in like coin or currency, semi-annually on the business day next preceding June 1 and December 1 each year, commencing on the business day next preceding June 1, 2007 and to pay interest on overdue principal, premium, if any, or installment of interest (to the extent permitted by law) at the rate per annum above specified; provided that the principal of and the premium, if any, and interest may be paid by agreement of the Company with the registered owner of this bond, by check mailed or bank wire transfer to the person entitled thereto at the address specified in such agreement subject, in the case of payment in full of the principal of this bond, to the presentation of this bond as provided in the Indenture.

This bond is one of an authorized issue of bonds of the Company known as its General Mortgage Bonds, not limited in aggregate principal amount except as provided in the Indenture hereinafter mentioned, all issued and to be issued in one or more series under and equally secured by an indenture of mortgage (hereinafter called the **"Original Indenture"**), executed by the Company to U.S. Bank National Association (formerly Wachovia Bank, National Association, formerly First Union National Bank, formerly First Fidelity Bank, National Association, formerly Fidelity Bank, National Association, formerly First Fidelity Bank, N.A., Pennsylvania, formerly Fidelity Bank, National Association and formerly The Fidelity Bank), and UMB Bank & Trust, N.A., successor to State Street Bank and Trust Company of Missouri, N.A., successor trustee to Mercantile Bank of Western Missouri (formerly Mercantile Bank of Joplin, formerly Mercantile Bank of Joplin National Association, formerly First National Mercantile Bank and Trust Company successor to William B. Ebert) as Trustees, (U.S. Bank National Association, being herein called the **"Trustee,"** and said bank and UMB Bank & Trust, N.A. being herein called collectively the **"Trustees"**) dated as of May 1, 1968 as supplemented and amended by a First Supplemental Indenture dated as of March 1, 1971 (hereinafter called the **"First Supplemental Indenture"**), a Second Supplemental Indenture dated as of October 1, 1975 (hereinafter called the **"Second Supplemental Indenture"**), a Third Supplemental Indenture dated as of October 1, 1980 (hereinafter called the **"Third Supplemental Indenture"**), a Fourth Supplemental Indenture dated as of January 1, 1984 (hereinafter called the **"Fourth Supplemental Indenture"**), a Fifth Supplemental Indenture dated as of September 1, 1986 (hereinafter called the **"Fifth Supplemental Indenture"**), a Sixth Supplemental Indenture dated as of February 1, 1990 (hereinafter called the **"Sixth Supplemental Indenture"**), a Seventh Supplemental Indenture dated as of January 1, 1993 (hereinafter called the **"Seventh Supplemental Indenture"**), an Eighth Supplemental Indenture dated as of March 1, 1994 (hereinafter called the **"Eighth Supplemental Indenture"**), a Ninth Supplemental Indenture dated as of January 1, 1995 (hereinafter called the **"Ninth Supplemental Indenture"**), a Tenth Supplemental

Indenture dated as of March 1, 1995 (hereinafter called the "**Tenth Supplemental Indenture**"), an Eleventh Supplemental Indenture dated as of July 1, 1996 (hereinafter called the "**Eleventh Supplemental Indenture**"), a Twelfth Supplemental Indenture dated as of June 1, 1997 (hereinafter called the "**Twelfth Supplemental Indenture**"), a Thirteenth Supplemental Indenture dated as of February 1, 1998 (hereinafter called the "**Thirteenth Supplemental Indenture**"), a Fourteenth Supplemental Indenture dated as of November 1, 1998 (hereinafter called the "**Fourteenth Supplemental Indenture**"), a Fifteenth Supplemental Indenture dated as of March 1, 2000 (hereinafter called the "**Fifteenth Supplemental Indenture**"), a Sixteenth Supplemental Indenture dated as of December 31, 2001 (hereinafter called the "**Sixteenth Supplemental Indenture**"), a Seventeenth Supplemental Indenture dated as of April 1, 2002 (hereinafter called the "**Seventeenth Supplemental Indenture**"), and an Eighteenth Supplemental Indenture, dated as of December 1, 2006 (hereinafter called the "**Eighteenth Supplemental Indenture**"), the Original Indenture as so supplemented and amended being hereinafter called the "**Indenture**", to which Original Indenture and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the bonds are and are to be secured, and the rights of the registered owners thereof and of the Trustees in respect of such security. As provided in the Indenture, said bonds may be issued in series for various principal sums, may bear different dates and mature at different times, may bear interest at different rates, and may otherwise vary as in the Indenture provided or permitted.

This bond is one of the bonds described in the Eighteenth Supplemental Indenture and designated therein as "General Mortgage Bonds, 4.60% Series due December 1, 2036" (hereinafter referred to as the "**bonds of the 4.60% Series**"), issued under and secured by the Indenture and limited in aggregate principal amount to Fifty-Seven Million Four Hundred Eighty Thousand Dollars (\$57,480,000).

The lien of the Indenture on the property of the Company is subject to (a) the liens of certain other mortgages assumed by the Company encumbering certain property of the Company in various counties in which the Company operates, which mortgages are more particularly described and set forth in the Indenture, and (b) Permitted Encumbrances as defined in the Indenture.

The Company has entered into a Loan Agreement (the "**Loan Agreement**") with the State Environmental Improvement and Energy Resources Authority (State of Missouri) (the "**Authority**") to provide for the payment of an issue by the Authority of \$57,480,000 principal amount of Water Facilities Refunding Revenue Bonds (Missouri-American Water Company Project) Series 2006, dated December 20, 2006 (the "**Series 2006 Bonds**"), issued pursuant to a Bond Trust Indenture, dated as of December 1, 2006 (the "**Series 2006 Bond Indenture**") between the Authority and U.S. Bank National Association, as trustee (the "**Series 2006 Bond Trustee**"), for the purpose of providing funds to pay the costs of refinancing the costs of certain water facilities of the Company, pursuant to the provisions of Sections 260.005 to 260.125, inclusive, of the Revised Statutes of Missouri, as amended, and Appendix B(1) thereto. All of the bonds of the 4.60% Series have been issued to the Authority to evidence the Company's obligation to make payments required to be made by the Company pursuant to the Loan Agreement and are to be assigned by the Authority to the Series 2006 Bond Trustee.

The Series 2006 Bonds are payable from payments made, or caused to be made, by the Company of principal of, premium, if any, and interest on the bonds of the 4.60% Series. Under certain terms and conditions, moneys held under and pursuant to the Series 2006 Bond Indenture from the proceeds of the sale of the Series 2006 Bonds, earnings on the investment of such proceeds and credits arising from the purchase or redemption of the Series 2006 Bonds shall be applied against payment obligations of the bonds of the 4.60% Series and to the extent so applied shall satisfy a like amount otherwise due thereunder.

The bonds of the 4.60% Series are subject to redemption prior to maturity at the option of the Company on or after December 1, 2016 as a whole or in part at any time, at a redemption price equal to 100% of the principal thereof, plus accrued interest thereon to the date of redemption.

So long as the Series 2006 Bond Trustee under the Series 2006 Bond Indenture is the holder of all the bonds of the 4.60% Series, upon cancellation in full or in part of any of the Series 2006 Bonds (or provision for payment thereof having been made in accordance with the provisions of the Series 2006 Bond Indenture) and payment of all fees and charges of the Series 2006 Bond Trustee thereunder, the Series 2006 Bond Trustee may, in lieu of surrendering bonds of the 4.60% Series for redemption and issuance of the bonds of the 4.60% Series, make an appropriate endorsement thereon of the particulars of any such partial redemption and the amount of bonds of the 4.60% Series then remaining outstanding.

The bonds of the 4.60% Series are subject to special mandatory redemption ("**Mandatory Redemption on Determination of Taxability**"), in whole or in part as described below, at any time prior to maturity at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date if on any day within 120 days after the Company receives written notice from a registered owner or former registered owner of a Series 2006 Bond or the Series 2006 Bond Trustee of a final determination by the Internal Revenue Service or a court of competent jurisdiction that, as a result of a failure by the Company to perform any of its agreements in the Loan Agreement or the Tax Compliance Agreement or the inaccuracy of any of its representations in the Loan Agreement, the Tax Compliance Agreement or any certificate submitted pursuant to the Series 2006 Bond Indenture, the interest paid or to be paid on any Series 2006 Bond is or was includable in the gross income of the owner of any such Series 2006 Bond for Federal income tax purposes. No such determination will be considered final unless the registered owner or former registered owner involved in the determination gives the Company, the Series 2006 Bond Trustee and the Trustee under the Indenture prompt written notice of the commencement of the proceedings resulting in the determination and offers the Company, subject to the Company's agreeing to pay all expenses of the proceeding and to indemnify such registered owner against all liabilities that might result from it, the opportunity to control the defense of the proceeding, and either the Company does not agree within 30 days to pay the expenses, indemnify such registered owner and control the defense or the Company exhausts or chooses not to exhaust available procedures to contest or obtain review of the result of the proceedings. Fewer than all the bonds of the 4.60% Series may be redeemed if redemption of fewer than all would result in the interest payable on the Series 2006 Bonds remaining outstanding being not includable in the gross income for Federal income tax purposes of any owner. If fewer than all bonds of the 4.60% Series are to be redeemed, the Trustee will select the bonds of the 4.60% Series to be redeemed by lot as provided in the Indenture or by such other method acceptable to the Trustee as may be specified in an Opinion of Bond Counsel. If this redemption occurs in accordance with the terms of the Series 2006 Bond Indenture, such failure by the Company to perform any of its agreements in the Loan Agreement or the Tax Compliance Agreement or inaccuracy of any of its representations in the Loan Agreement, the Tax Compliance Agreement or any certificate submitted pursuant to the Series 2006 Bond Indenture shall not in and of itself constitute an Event of Default under the Series 2006 Bond Indenture, the bonds of the 4.60% Series, the Series 2006 Bonds or the Indenture. Any such redemptions shall be at a price equal to 100% of the principal amount of the bonds of the 4.60% Series so to be redeemed, plus accrued interest to the redemption date.

In the event that all or substantially all of the property of the Company at the time subject to the lien of the Indenture, or all or substantially all of the property of the Company at the time so subject to such lien which is used or useful in connection with its utility business as defined in the Indenture, shall be released from the lien of the Indenture under the provisions of Section 5.03 or Section 5.06 thereof, the award or consideration received by the Trustee for such property (together with any other moneys held by the Trustee under the Indenture) shall be applied by the Trustee to the redemption in full of all bonds then outstanding under the Indenture, any moneys held for the account of any particular bonds being applied to the redemption (or payment, if matured) of such bonds at a redemption price equal to the principal amount thereof, together with accrued interest thereon to the date fixed for redemption. If the moneys then in the hands of the Trustee available for such purpose shall not be sufficient for such redemption in full, the Company shall deposit with the Trustee on or before the date fixed for redemption an amount sufficient to enable the Trustee to pay the full redemption prices of the bonds at the rate or rates applicable, together with interest accrued to such date and all expenses in connection with such redemption. If the Company shall

default in its obligation to deposit any such amount with the Trustee, the moneys in the hands of the Trustee available for such purpose (together with any moneys thereafter received) shall be applied by the Trustee to the partial payment of all bonds then outstanding under the Indenture, pro rata in proportion to the respective amounts then due and owing thereon for principal, premium (if any) and interest but, until the full amount then due and owing on the bonds shall have been paid, no such partial payment shall discharge the obligation of the Company on any bond except to the extent of such partial payment. Notice of any such partial pro rata payment shall be given once by the Trustee to the registered owners of the bonds within one week after the date as of which the bonds were called for redemption, and from and after a date to be specified in such notice (to be not earlier than the date upon which such notice is given nor later than ten days after such redemption date) interest shall cease to accrue on the obligation of the Company on the bonds so called for redemption to the extent of the partial payment so provided, subject to the Company's obligation under the Loan Agreement to pay accrued interest on the Series 2006 Bonds to the date fixed for their respective redemption. Subsequently, if any additional moneys applicable to an additional partial payment or to the payment of the entire balance then due on the bonds shall be received by the Trustee, the Trustee shall, with reasonable promptness, give like notice of any such payment (specifying a date within ten days after the date of such notice) with like effect.

The principal of this bond may be declared or may become due prior to its maturity date, in the manner and with the effect and subject to the conditions provided in the Indenture, upon the happening of an event of default as in the Indenture provided; subject, however, to the right, under certain circumstances, of the registered owners of majority in principal amount of the bonds then outstanding (or, if such event of default be a default in the payment of any principal of or premium or interest on the bonds of any particular series, the registered owners of a majority in principal amount of the bonds of such series then outstanding) to annul such declaration.

In case the Company shall be consolidated with or merged into any other corporation, or all or substantially all of the mortgaged property as an entirety or substantially as an entirety shall be conveyed or transferred, subject to the lien of the Indenture, the corporation resulting from such consolidation, or into which the Company shall have been merged, or which shall have received such conveyance or transfer, may elect to exchange its bonds for bonds outstanding under the Indenture, including the bonds of the 4.60% Series, subject to the conditions and in the manner provided in the Indenture.

To the extent permitted by, and as provided in, the Indenture, amendments or modifications of the Original Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the owners of the bonds issued and to be issued thereunder, may be made with the consent of the Company by the written consent of the registered owners of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in principal amount of the bonds then outstanding under the Indenture; provided that any amendment or modification which will affect the rights under the Indenture or any indenture supplemental thereto of the owners of one or more, but less than all, of the series of bonds outstanding under the Indenture or which will amend or modify any Exclusive Benefit Covenant (as defined in the Indenture) may be made only with the consent of the Company and the written consent of the registered owners of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in principal amount of the bonds of the series so affected or the bonds of the series for the protection or benefit of which such Exclusive Benefit Covenant is made, as the case may be, then outstanding under the Indenture (unless in the case of any Exclusive Benefit Covenant some other percentage of bonds is provided in the supplemental indenture establishing the Exclusive Benefit Covenant), and may be made with the written consent of the registered owners of said principal amount of the bonds of such series without any requirement for the consent of owners of bonds outstanding under the Indenture which are not affected by such amendment or modification; provided, however, that except with the written consent of the registered owner of this bond no amendment or modification shall be made which will permit the extension of the time or times of payment of the principal of or the interest on this bond, or a reduction in the principal amount hereof or the premium (if any) or the rate of interest hereon, or otherwise affect the terms of payment of the principal of, or premium (if any) or interest on, this bond, or reduce the

percentage of principal amount of bonds the consent of the registered owners of which is required for the modification or alteration of the Indenture, or of any indenture supplemental thereto.

This bond may not be transferred except to the Series 2006 Bond Trustee and any successor trustee thereto, except to effect an exchange in connection with a bankruptcy, reorganization, insolvency or similar proceeding involving the Company or the enforcement of remedies against the Company under Article VII of the Indenture. To the extent transfer of this bond is permitted, it is transferable by the registered owner hereof, in person or by duly authorized attorney, on books of the Company to be kept for that purpose at the office of the Trustee in the City of Philadelphia, Pennsylvania (or, if there be a successor trustee, at its office), upon surrender hereof at such office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds of the 4.60% Series, in authorized denominations, of a like aggregate principal amount; and the registered owner of any bond or bonds of the 4.60% Series may surrender the same as aforesaid at said office in exchange for a like aggregate principal amount of bonds of like form, in authorized denominations; all upon payment of the charges and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any indenture supplemental thereto, or in any bond thereby secured, or because of any indebtedness thereby secured, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any successor corporation, under any constitution, statute, or rule of law or equity, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise; it being expressly agreed and understood that the Indenture, any indenture supplemental thereto and obligations thereby secured are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, such incorporators, stockholders, officers or directors, as such, of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness thereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in the Indenture or in any indenture supplemental thereto or in any of the bonds or coupons thereby secured, or implied therefrom.

This bond shall not be entitled to any benefit under the Indenture, or any indenture supplemental thereto, and shall not become valid or obligatory for any purpose, until U.S. Bank National Association, as the Trustee under the Indenture, or a successor trustee thereunder, shall have signed the form of authentication certificate endorsed hereon.

(Remainder of this page intentionally left blank)

IN WITNESS WHEREOF, MISSOURI-AMERICAN WATER COMPANY has caused this bond to be signed in its name by its President and attested by its Secretary, and this bond to be dated December ___, 2006.

MISSOURI-AMERICAN WATER COMPANY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

**(FORM OF TRUSTEE'S AUTHENTICATION CERTIFICATE
FOR BONDS OF THE 4.60% SERIES)**

Trustee's Authentication Certificate

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Eighteenth Supplemental Indenture.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: _____

Name: _____

Authorized Officer

(FORM OF ENDORSEMENT)

Pay to the order of U.S. Bank National Association, in its capacity as the Series 2006 Bond Trustee pursuant to the Series 2006 Bond Indenture described in this bond of series designated therein, without recourse or warranty of any nature or description.

**STATE ENVIRONMENTAL IMPROVEMENT
AND ENERGY RESOURCES AUTHORITY
(STATE OF MISSOURI)**

By: _____
Name: _____
Title: _____

EXHIBIT B
LEGAL DESCRIPTION

All the right, title and interest of the Company in and to all real property, wherever situated in the State of Missouri, and interests in or relating to real property in the State of Missouri, whether now owned by the Company or hereafter acquired by it (except such thereof as may heretofore have been released from the lien of the Indenture in accordance with the terms thereof), including, without limitation, the real property owned by the Company and located within the following counties in the State of Missouri:

Andrew County
Audrain County
Buchanan County
Cole County
Chariton County
Jasper County
Jefferson County
Johnson County
Newton County
Platte County
St. Charles County
St. Louis County
Warren County