

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

In the matter of the Application of Missouri-)
American Water Company for Authority to) File No. _____
Issue up to \$405 Million of Long-Term)
Debt and to Secure Same With a Mortgage)
on its Property)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company (hereinafter "MAWC" or "Applicant") pursuant to §§393.190 and 393.200 RSMo. and 20 CSR 4240-2.060, 2.080, 4.017, and 10.125, and for its *Application and Motion for Waiver* to the Missouri Public Service Commission (hereinafter "Commission"), states that:

The Applicant

1. Applicant 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. A certified copy of MAWC's certificate of good standing was submitted in Case No. WO-2021-0343 and is incorporated by reference.

2. MAWC currently provides water service to approximately 483,000 customers and sewer service to approximately 24,000 customers in several counties throughout State of Missouri. MAWC is a "water corporation," 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. Applicant has no pending actions or final unsatisfied judgments or decisions against it from a state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three (3) years of date of this Application.

4. Applicant has no annual reports or assessment fees overdue or unpaid.
5. Communications in regard to this Application should be addressed to the

undersigned counsel and:

Brian LaGrand
Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
(314) 996-2357
brian.lagrand@amwater.com

Capitalization of Applicant

6. Applicant has outstanding an Indenture of Mortgage dated May 1, 1968, and supplements thereto dated March 1, 1971; October 1, 1975; October 1, 1980; January 1, 1984; September 1, 1986; February 1, 1990; January 1, 1993; March 1, 1994; January 1, 1995; March 1, 1995; July 1, 1996; June 1, 1997; February 1, 1998; November 1, 1998; March 1, 2000; December 31, 2001; April 1, 2002; and December 1, 2006 by and between Applicant and U.S. Bank National Association (successor to Wachovia Bank, National Association, formerly First Union National Bank, formerly the Fidelity Bank). Applicant's original Indenture of Mortgage was approved by this Commission in an Order dated June 14, 1968, in Case No. 16,452. As of December 31, 2023; there was due under said Indenture of Mortgage \$23.5 million aggregate principal amount of General Mortgage Bonds. Said Indenture of Mortgage, as supplemented and amended, constitutes a first mortgage lien against the property of Applicant described in the Indenture of Mortgage.

7. Applicant has outstanding a Master Trust Indenture dated March 1, 2022, by and between Applicant and U.S Bank Trust Company, National Association. This indenture was approved by the Commission in an Order dated December 8, 2021, in Case No. WF-2022-0066. As of December 31, 2023, there was due under said Master Trust Indenture \$9.8 million aggregate

principal amount of General Mortgage Bonds. Said Master Trust Indenture constitutes a first mortgage lien against the property of Applicant described in the Master Trust Indenture.

8. Applicant had outstanding \$1,260.2 million of long-term senior unsecured indebtedness with American Water Capital Corp. as of December 31, 2023.

9. Applicant had \$37.9 million in short-term unsecured indebtedness as of December 31, 2023.

10. Applicant's authorized capital stock consists of 40.0 million shares of common stock, without par value, 27.7 million shares of which are issued and outstanding under authority of this Commission. Applicant's Restated Articles of Incorporation contain sufficient authorized shares of common stock so as to allow the issuance of approximately 12.3 million shares of common stock, for an aggregate purchase price of \$100.0 million.

11. None of the outstanding stock, stock certificates or bonds, have been issued or used in capitalizing the right to be a corporation or any franchise or permit, or the right to run, operate or enjoy such franchise or permit, or any contract for consolidation or the lease, or issued against or as a lien upon any contract for consolidation or merger.

The Relief Requested From the Commission

11. Applicant seeks the Commission's approval to engage in a variety of secured debt financings with the Missouri Department of Natural Resources hereinafter described during an approximate three (3) year period following the effective date of an order approving Applicant's proposed financing in this case. Applicant also seeks authority from the Commission to secure the long-term indebtedness to the Missouri Department of Natural Resources by placing a mortgage upon its property. The Applicant requests that the Commission approval in this case, if granted, extend to December 31, 2027.

Description of the Loan, Use of the Proceeds, and Security for the Loan

12. The Missouri Department of Natural Resources, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program for the purpose of making loans and grants to political subdivisions and other eligible entities in the State of Missouri. In this case, the Safe Drinking Water Commission has approved loans, and the Applicant is expected to apply for future loans, in an aggregate principal amount of \$405.0 million to be made by the Missouri Department of Natural Resources to Applicant pursuant to Loan Agreements, an example of which, is attached hereto as **Appendix 1**.

13. In order to secure the loans from the Missouri Department of Natural Resources, Applicant will be required to place a mortgage, lien or encumbrance on certain properties in the State of Missouri in accordance with a Master Trust Indenture, an example of which is attached hereto at **Appendix 2**.

14. Each loan will be evidenced by a Master Indenture Note, an example of which is attached to the Master Trust Indenture (**Appendix 2**) as Exhibit A-1. The aggregate principal amount is up to \$405.0 million, with a 20-year term, and the loans bear an annual interest rate that is equal to 30% of the Revenue Bond Index as published in *The Bond Buyer* most recently prior to the date of closing of the loan, plus a 0.5% administration fee.

15. Applicant and the Missouri Department of Natural Resources are entering into these loan agreements for the purpose of financing improvements to certain drinking water treatment facilities. The net proceeds from the loans will be used for the acquisition of property; the construction, completion, extension or improvement of Applicant's plant or system; the

improvement or maintenance of its service; or the reimbursement of moneys actually expended from income as permitted by §393.200 RSMo.

Regulatory Considerations

16. Applicant has no objection to the Commission's order approving this Application containing express language to the effect that its authorization is not a finding by the Commission of the appropriateness of the choice of financing options for ratemaking purposes and, further, that the Commission reserves the right to consider the ratemaking treatment afforded the activities undertaken by the Applicant pursuant to its order in this case and their impact on the cost of capital in pending or subsequent rate proceedings.

Filing Requirements

17. In accordance with Commission Rule 20 CSR 4240-10.125(1)(D), attached hereto, as **Appendix 3**, is a certified copy of the Resolutions of the Board of Directors of Applicant authorizing the loans and mortgage which are the subject of this Application and authorizing the filing of this Application.

18. Also attached hereto are the following appendices:

- a. **Appendix 4** - Listing of issued and outstanding long-term debt of Applicant as of December 31, 2023;
- b. **Appendix 5** - Information regarding capital stock outstanding, bonded indebtedness and short-term indebtedness and other financial information including a balance sheet for the period ending December 31, 2023, and a financial statement with the adjustments showing the *pro forma* effect of the issuance of the \$405.0 million of new long-term debt on bonded and other indebtedness, as required by Commission Rule 20 CSR 4240-10.125(1)(E); and,
- c. **Appendix 6** - Statement of Applicant's capital expenditures for the acquisition of property and the construction, completion, extension and improvement of its plant and system for the five (5) year period ending prior to the filing of this Application, as well as the amount of retirements and other related adjustments, and a statement of

Applicant's net property additions. **Appendix 6** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

- d. **Appendix 7** – Applicant’s five year capital expenditure plan, as required by Commission Order in Case No. WF-2022-0066. **Appendix 7** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

19. The money, property or labor to be procured or paid by the issuance of the indebtedness described herein is reasonably required for the purposes specified in this Application and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

Supplemental Reports of Financing Activity

20. Within thirty (30) days after the issuance and sale of the instant indebtedness, a report setting forth the amount, price information and other terms and provisions concerning long-term indebtedness incurred by Applicant and setting forth information concerning the use of the proceeds from any such issuances will be filed.

21. Applicant’s report will include a statement identifying the portion of the issuances of long-term indebtedness that are subject to the fee schedule set forth in § 386.300 RSMo., in accordance with 20 CSR 4240-10.125(1)(F).

MOTION FOR WAIVER

22. Rule 20 CSR 4240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” A notice was not filed 60 days prior to the filing of this Application, and Applicant seeks a waiver of the 60-day notice requirement.

23. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Applicant declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, Applicant moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application.

WHEREFORE, Applicant requests the Commission to issue an Order authorizing the Applicant to:

A. Issue and deliver to Missouri Department of Natural Resources, or its lawful designee, in one or more series of note(s) evidencing long-term indebtedness, each such series of notes to be issued at such time, or from time-to-time, to be of such aggregate principal amount, having maturity of not more than twenty (20) years, bearing interest at a rate that is equal to 30% of the Revenue Bond Index as published in The Bond Buyer most recently prior to the date of closing of the loan, plus a 0.5% administration fee, in substantial accordance with the form of the Master Indenture Note attached to the Master Trust Indenture (**Appendix 2**) as Exhibit A-1, provided that the aggregate principal amount of all such series shall not exceed \$405.0 million; and,

B. Execute and deliver as security for the note(s) a mortgage on Applicant's property in substantial accordance with the form of the Master Indenture Trust attached as **Appendix 2** to the Application; and,

C. Amortize any principal or discount expenses incident to the issuance of long-term indebtedness to expenses related to debt issued to other lenders over the life thereof;

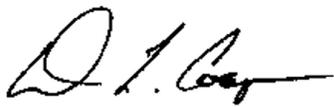
D. Enter into, execute, deliver and perform the necessary arrangements or other documents necessary to effectuate the transactions hereinabove described; and,

E. Take such other actions as may be necessary to complete the subject transactions; and,

Further ordering that the proceeds from the issuance of the indebtedness will be used by Applicant for the acquisition of property, the construction, completion, extension or improvement or addition to its facilities, the improvement of or maintenance of its service, and for other corporate purposes as hereinabove described.

Further ordering that the money, property or labor to be procured or paid for by the Applicant through the issuance of the indebtedness is reasonably required and necessary for the purposes set forth and will be used therefore and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, all as required by §393.200 RSMo. 2000; and,

Waiving for good cause shown the application of Commission rule 20 CSR 4240-4.017(1) requirement for a sixty (60) day notice of intent to file.



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Respectfully Submitted,

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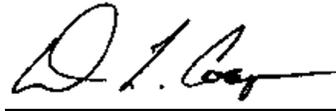
ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 31st day of May, 2024 to:

Casi Aslin
Staff Counsel's Office
casi.aslin@psc.mo.gov
staffcounsel@psc.mo.gov

Marc Poston
Office of the Public Counsel
opcservice@opc.mo.gov



D. J. Coyle

VERIFICATION

State of Missouri)
)
County of St. Louis) ss

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

Dated: May 31, 2024



LOAN AGREEMENT
dated as of March 1, 2022

by and between the
MISSOURI DEPARTMENT OF NATURAL RESOURCES

and

MISSOURI-AMERICAN WATER COMPANY

relating to

NOT TO EXCEED \$11,249,000
MASTER INDENTURE NOTE
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)
SERIES 2022A

OF THE
MISSOURI-AMERICAN WATER COMPANY

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”), dated as of March 1, 2022, is by and between the MISSOURI DEPARTMENT OF NATURAL RESOURCES, a department of the State of Missouri and its successors and assigns (“DNR”), and MISSOURI-AMERICAN WATER COMPANY, a corporation organized and existing under the laws of the State of Missouri and its successors and assigns (the “Company”). Terms not otherwise defined in this Agreement have the meanings set forth in the below-defined Escrow Agreement.

RECITALS

1. Pursuant to 10 CSR 60-13.020 and 10 CSR 60-13.030 of the Code of State Regulations, DNR, in cooperation with the Safe Drinking Water Commission of the State of Missouri (the “Commission”), has developed and implemented the State of Missouri Direct Loan Program (the “Direct Loan Program”) and has stated its intent to make loans and grants to political subdivisions and other eligible entities of the State of Missouri.

2. The Commission has approved a loan in the maximum principal amount of \$11,249,000 (the “Loan”) to the Company to be made by DNR pursuant to this Agreement.

3. DNR and the Company are entering into this Agreement for the purposes of providing financing improvements to certain drinking water treatment facilities (the “Project” as further described in this Agreement) and setting forth their covenants and agreements respecting the application of the net proceeds of the Loan to finance the Project.

4. The Loan will be evidenced by the Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A in the aggregate principal amount of not to exceed \$11,249,000 (the “Master Note”) of the Company issued pursuant a Master Trust Indenture dated as of March 1, 2022 (the “Original Indenture”), by and between the Company and U.S. Bank Trust Company, National Association, as trustee (the “Master Note Trustee”), as amended and supplemented by the Supplemental Master Trust Indenture No. 1 dated as of March 1, 2022 (the “First Supplemental Indenture” and, together with the Original Indenture, the “Master Note Indenture”). The Master Note is secured by a Deed of Trust and Mortgage dated as of March 1, 2022, from the Company, as grantor, to the mortgage trustee named therein, and the Master Note Trustee, as beneficiary and as trustee for the holders of the Master Note and the holders of future master indenture notes issued under the Original Indenture.

5. As a condition to the execution and delivery of this Agreement, DNR has required that the Company enter into the Escrow Agreement (defined below) with UMB Bank, N.A., as paying agent and escrow agent (the “Paying Agent”).

AGREEMENT

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. In addition to words and terms defined in the Escrow Agreement, the Recitals and elsewhere in this Agreement, including Article V, capitalized words and terms have the following meanings in this Agreement:

“Actual Reimbursement Amount” means the amount of a Requisition approved for payment in accordance with Section 3.3.

“Additional Payments” means those payments required to be made by the Company pursuant to Section 4.2.

“Administrative Expense Fund” means the fund designated as such and established by Section 4 of the Escrow Agreement. The Administrative Expense Fund does not constitute part of the Direct Loan Program.

“Administrative Fee” means the semiannual administrative fee of DNR equal to 0.25% of the aggregate amount of the Master Note Outstanding as of each Administrative Fee Calculation Date (including the Stated Maturity), payable to the Paying Agent within 30 days after the Company’s receipt of a statement from the Paying Agent for deposit to the Administrative Expense Fund and subsequent transfers to DNR as described in Section 9 of the Escrow Agreement.

“Administrative Fee Calculation Date” means the Business Day preceding each Principal Payment Date.

“Authority” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State, and its successors and assigns.

“Authorized Representative” means any person designated in writing by a certificate executed by the Company and filed with the Paying Agent and DNR.

“Authorizing Resolutions” means the resolutions of the Company duly adopted by the Governing Body of the Company pursuant to the Bylaws of the Company authorizing the Loan and the execution and delivery of this Agreement and the other Financing Documents.

“Bond Counsel” means Gilmore & Bell, P.C., or another attorney or firm of attorneys with a nationally recognized standing in the field of municipal bond financing approved by a written instrument from DNR to the Company and the Paying Agent.

“Closing Date” means the date of initial issuance and delivery of the Master Note to DNR.

“Code” means the Internal Revenue Code of 1986, as amended.

“Completion of Funding” means the date, established by the Company, that no further Requisitions will be submitted by the Company, and therefore no further Purchase Price Installments will be funded by DNR, as evidenced by a written certificate executed by the Authorized Representative and filed with DNR and the Paying Agent.

“Construction Fund” means the Construction Fund established by Section 4 of the Escrow Agreement.

“Consultant” means the Consulting Engineer, a registered municipal advisor, an independent certified public accountant or a firm of independent certified public accountants.

“Consulting Engineer” means each independent engineer or engineering firm with experience in designing and constructing water production and transmission facilities and retained by the Company.

“Costs of Issuance” means, collectively, the Master Trust Bonds Expense and other costs of issuing the Master Note as certified by the Company.

“Debt Service Fund” means the Debt Service Fund established by Section 4 of the Escrow Agreement.

“Disbursement” means each amount advanced from the Construction Fund to the Company by the Paying Agent under this Agreement and Section 7 of the Escrow Agreement to pay Eligible Costs and Costs of Issuance, in an amount equal to the applicable Purchase Price Installment made by DNR pursuant to Section 3.3.

“Eligible Costs” means Project Costs determined by DNR to be eligible under the Regulations.

“EPA” means the Environmental Protection Agency.

“Escrow Agreement” means the Escrow Trust Agreement dated as of March 1, 2022, between the Company and the Paying Agent, as supplemented, modified or amended in accordance with its terms.

“Event of Default” means an “Event of Default” as defined in Article VII.

“Expenses” shall have the meaning set forth in the Master Note Indenture.

“Federal Act” means the Federal Safe Drinking Water Act, 42 U.S.C. Section 300f *et seq.*, as amended.

“Federal Securities” means any direct obligation of, or obligation the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America and backed by its full faith and credit.

“Financing Documents” means all documents executed by the Company in connection with the Loan other than this Agreement, including the Master Note, the Master Note Indenture, the Mortgage and the Escrow Agreement.

“First Supplemental Indenture” means the Supplemental Master Trust Indenture No. 1 dated as of March 1, 2022, between the Company and the Master Note Trustee.

“Fiscal Year” means the fiscal year of the Company, currently January 1 to December 31.

“Funding Sources” means the sources identified by DNR from time to time to fund the Loan, initially as described in Section 2.2.

“Funds Transfer Method” means electronic transfer in immediately available funds, automated clearing house (ACH) funds, or other method approved by DNR at the written request of the Company with written notice to the Paying Agent.

“Governing Body” means the Board of Directors of the Company.

“Guaranties” when used in connection with a particular Person means all obligations of such Person guaranteeing or in effect guaranteeing any indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, which indebtedness or other obligation would constitute Indebtedness if such Person was the Company.

“Indebtedness” has the meaning set forth in the Master Note Indenture.

“Ineligible Costs” means Project Costs that are not Eligible Costs.

“Initiation of Operations” means the date on which the operation (within the meaning of the Regulations) of the first operable segment of the Project commenced.

“Interest Account” means the Interest Account in the Repayment Fund established by Section 4 of the Escrow Agreement.

“Interest Payment Date” means each January 1 and July 1, commencing July 1, 2022.

“Interest Period” means each six-month period from January 1 through June 30 and July 1 through December 31.

“Investment Securities” means any securities or investments that are legal for the investment of funds of the Company at the time of purchase.

“Loan” means the loan by DNR to the Company, funded in installments from the Funding Sources in accordance with, and subject to the terms and conditions of, this Agreement. The Loan is evidenced by the Master Note.

“Loan Payments” means the payments of principal and interest required to be paid by the Company in repayment of the Loan pursuant to Section 4.1.

“Mandatory Sinking Fund Redemption Schedule” means the mandatory sinking fund schedule attached as Exhibit E to this Agreement and Schedule 2 to the Master Note, as amended and replaced from time to time in accordance with Sections 3.5 and 4.5 of this Agreement.

“Master Note” means the “Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A” dated the Closing Date, from the Company to DNR, issued pursuant to the Master Note Indenture and in substantially the form set forth as an exhibit to the First Supplemental Indenture.

“Master Note Indenture” means, collectively, the Master Trust Indenture dated as of March 1, 2022, by and between the Company and the Master Note Trustee, as amended and supplemented by the Supplemental Master Trust Indenture No. 1 dated as of March 1, 2022, as further amended, supplemented or restated from time to time.

“Master Note Trustee” means U.S. Bank Trust Company, National Association, Philadelphia, Pennsylvania, as trustee under the Master Note Indenture, and any successor or assigns.

“Master Trust Agreement” means the Amended and Restated Master Trust Agreement dated as of as of December 1, 2020, between the Authority (as defined in Section 5.1) and the Master Trustee, as amended, supplemented or restated from time to time.

“Master Trust Bonds” means bonds of the Authority at any time outstanding and secured under the Master Trust Agreement.

“Master Trust Bonds Expense” means the amount of \$67,494.00, included in the amount deposited on the Closing Date in the Administrative Expense Fund.

“Master Trustee” means UMB Bank, N.A., St. Louis, Missouri, as master trustee under the applicable Master Trust Agreement, and any successor master trustee pursuant to a Master Trust Agreement.

“Maximum Principal Amount” means \$11,249,000.

“Mortgage” means the Deed of Trust and Mortgage dated as of March 1, 2022, from the Company, as grantor, to the mortgage trustee named therein, and the Master Note Trustee, as beneficiary and as trustee for the holders of the Master Note and the holders of future master indenture notes issued under the Original Indenture, under which the Company grants a mortgage lien and security interest in the Mortgaged Property, as from time to time amended or supplemented in accordance with its terms.

“Mortgaged Property” shall have the meaning set forth in the Master Note Indenture.

“Net Proceeds” when used with respect to any insurance or condemnation award, means the gross proceeds from the insurance or condemnation award with respect to which the term is used less all expenses (including attorneys’ fees and any expenses of the Owner) incurred in the collection of such gross proceeds.

“Net Income Available for Debt Service” means, as to any period of time, all Revenues minus Expenses of the Company.

“Outstanding” means, as of the date of determination, the Master Note unless discharged and/or defeased in accordance with the terms of this Agreement and the Master Note Indenture.

“Owner” means DNR or any assignee, successor or transferee of DNR under the Direct Loan Program or the SRF Leveraged Program.

“Parity Master Notes” means any master indenture notes issued by the Company pursuant to the Master Note Indenture secured on a parity with the Master Note.

“Paying Agent” means UMB Bank, N.A., the paying agent and escrow agent, and its successors and assigns acting at any time as Paying Agent and Escrow Agent under this Agreement and the Escrow Agreement.

“Permitted Encumbrances” shall have the meaning set forth in the Master Note Indenture.

“Person” means any natural person, firm, association, corporation, partnership, limited liability company, joint stock company, a joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Prime Rate” means the interest rate per annum determined from time to time by the Paying Agent (or its successors or assigns), as its “base rate” for variable rate commercial loans, such interest rate to change automatically as of the opening of business on the effective date of any change in the Prime Rate.

“Purchase Price Installment” means the amount paid by DNR from time to time in accordance with Section 3.3 and deposited in the Construction Fund or otherwise in accordance with the Escrow Agreement.

“Principal Payment Date” means each January 1 and July 1, commencing July 1, 2022, and any date on which the Master Note is optionally redeemed in accordance with Section 4.5.

“Project” means the acquisition, construction, improvement and equipping of drinking water facilities of the Company further described as follows:

Clearwell and High Service Pump Station Replacement. The Project will replace the existing 0.88 million-gallon (“MG”) clearwell and high service pumps with a new below-grade clearwell and high service pumping facility. The new facility will include a partially below-grade storage basin with 1.0 MG of usable storage, providing for operational redundancy and flexibility. An additional

162,000 gallons of storage will be provided for future filter backwash supply. New high service pumps with a firm capacity of 7.5 million gallons per day (“MGD”) and space for two future backwash pumps with an estimated capacity of 5.0 MGD will be provided. These new pumps will be integral to the new clearwell and discharge to a new finished water pipeline that will be connected to the distribution system. The existing clearwell will be demolished once the new clearwell is placed into service. Electrical improvements include a new reinforced concrete duct bank, a new generator, automatic transfer switch and transformer pad, and new electrical switch gear sized to re-feed the entire site. The Project also includes all changes needed to complete the Project agreed to in writing by the Company and DNR.

“Project Costs” means all costs or expenses which are necessary, incident or directly attributable to the Project, consisting of Eligible Costs and Ineligible Costs, if any.

“Project Schedule” means the schedule for completion of the Project that is estimated by the Company to be the following as of the date of execution of this Agreement:

<u>Event</u>	<u>Projected Date (month/year)</u>
Advertising for bids	June 2019
Bid opening	July 2019
Construction contract executed	September 2019
Initiation of Operations	November 2020
Construction completion	December 2020
Project completion	December 2020

“Property” shall have the meaning set forth in the Master Note Indenture.

“PSC” means the Missouri Public Service Commission.

“Quarterly Payment Date” means each March 15, June 15, September 15 and December 15, commencing June 15, 2022.

“Rating Agency” means Moody’s Investors Service, Inc. or S&P Global Ratings, a division of S&P Global Inc., and their respective successors.

“Regulations” means 10 CSR 60-13.020 and 10 CSR 60-13.030 of the Code of State Regulations, as amended.

“Repayment Fund” means the Repayment Fund established by Section 4 of the Escrow Agreement. The Repayment Fund does not constitute part of the Direct Loan Program.

“Requisition” means a Drinking Water Reimbursement Form in substantially the form of Exhibit A, with such changes as are approved by DNR with written notice to the Company and the Paying Agent.

“Revenues” shall have the meaning set forth in the Master Note Indenture.

“Senior Indenture” means the Indenture of Mortgage dated as of May 1, 1968, between the Company and the Senior Trustee, as from time to time amended, supplemented or restated in accordance with its terms.

“Senior Obligations” means, collectively, the Company’s (a) \$12,500,000 aggregate principal amount of General Mortgage Bonds, 7.14% Series due March 1, 2034, all of which are presently

outstanding, (b) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 8.58% Series due March 1, 2025, all of which are presently outstanding, (c) \$8,000,000 aggregate principal amount of General Mortgage Bonds, 7.79% Series due June 1, 2027, all of which are presently outstanding and (d) any future general mortgage bonds issued and secured by the Senior Indenture.

“Senior Trustee” means U.S. Bank Trust Company, National Association, or any successor trustee under the Senior Indenture.

“State” means the State of Missouri.

“Stated Maturity” means July 1, 2041, the maturity date of the Master Note.

“Subsidy Payments” means funds received by the Company that either (a) must be used or (b) have been used to reduce the interest or principal payments on any Indebtedness. Such Subsidy Payments would include, but are not limited to, the SRF Subsidy and other payments received by the Company through a federal or State program.

“Supplemental Agreement” means any agreement supplementing or amending this Agreement pursuant to Section 8.6.

“System” means the entire drinking water treatment facilities owned and operated by the Company for the acquisition, treatment and distribution of drinking water.

“User Charge Resolution” means, collectively, the Rules and Regulations Governing the Rendering of Water Service effective as of October 15, 2011 and the Rates for Service effective as of May 28, 2018, submitted by the Company and approved by the PSC, as amended, supplemented or replaced from time to time.

Section 1.2. Interpretation.

(a) The words “herein,” “hereof” and “hereunder” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision of this Agreement.

(b) References in this Agreement to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Agreement as originally executed.

(c) The Table of Contents and titles of articles and sections herein are for convenience of reference only and are not a part of this Agreement, and shall not define or limit the provisions of this Agreement.

(d) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(e) Words importing person shall include partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.

(f) Articles, sections, subsections and clauses mentioned by number only are those so numbered that are contained in this Agreement.

(g) Any opinion of counsel required under this Agreement shall be a written opinion of such counsel.

(h) Wherever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

(i) When used in this Agreement, “day” means “calendar day.”

Section 1.3. DNR Actions. All approvals, notices, consents and other actions of DNR under this Agreement (other than the execution of this Agreement and any amendments hereto) will be executed by the Director, Financial Assistance Center, Water Protection Program of DNR or any other person designated from time to time by the Director of DNR by a written instrument filed with the Company and the Paying Agent, who shall have continued authority to grant such approvals and consents, deliver notices and perform other actions of DNR under this Agreement.

ARTICLE II

REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Company.

(a) Organization and Authority.

(i) The Company is a corporation duly incorporated, organized and in good standing under the laws of the State and is duly authorized and qualified and licensed to conduct its operations in the State and in all other jurisdictions wherein failure to be so qualified, authorized and licensed would have a material adverse effect on the conduct of its operations or the ownership of its properties.

(ii) The Company has full legal right and authority and all necessary licenses and permits required as of the date of this Agreement to own, operate and maintain the System, to carry on its activities relating to the System, to undertake and complete the Project, to execute and deliver this Agreement, to issue the Master Note, to pledge the sources for repayment and security for the Loan under this Agreement, the Master Note Indenture, the Mortgage and the Master Note, and to carry out its agreements under this Agreement.

(iii) The proceedings of the Company’s Governing Body approving this Agreement, the Master Note Indenture, the Mortgage and the Master Note and authorizing the Company to undertake and complete the Project have been duly and lawfully passed and do not, and did not, in any manner contravene the Articles of Incorporation or Bylaws of the Company.

(iv) This Agreement, the Master Note, the Mortgage, the Master Note Indenture, the Authorizing Resolutions, and all other resolutions of the Company authorizing the Company to undertake and complete the Project have been duly authorized, executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and to the exercise of judicial discretion in accordance with general principles of equity.

(b) Full Disclosure. To the best knowledge of the Company, after due investigation, there is no fact that the Company has not disclosed to DNR in writing on the Company’s application for participation in the Direct Loan Program, or otherwise, that materially and adversely affects or that will materially and adversely affect the properties or activities of the Company or the System, or the ability of

the Company to make all Loan Payments and otherwise observe and perform its agreements under this Agreement.

(c) Pending Litigation. To the best knowledge of the Company, after due investigation, there are no proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company, in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Company or the System, or the ability of the Company to make all Loan Payments and otherwise observe and perform its agreements under this Agreement, that have not been disclosed in writing to DNR in the Company's application for participation in the Direct Loan Program or otherwise.

(d) Compliance with Existing Laws and Agreements. The agreements of the Company in this Agreement will not constitute a default under any indenture, mortgage, deed of trust, lease or agreement or other instrument executed by the Company or by which it or any of its property is bound or any applicable law, rule, regulation or judicial proceeding.

(e) No Defaults. No event has occurred and no condition exists that constitutes or, with the giving of notice or the lapse of time, would constitute an Event of Default. To the knowledge of the Company, after due investigation, the Company is not in violation of any agreement that would materially adversely affect the ability of the Company to make all Loan Payments or otherwise observe and perform its agreements under this Agreement.

(f) Governmental Consent. To the best of its knowledge, the Company has made all filings that it is obligated to make with, and has obtained all permits, licenses, franchises, consents, authorizations and approvals required to date from, all federal, state and local regulatory agencies having jurisdiction to the extent, if any, required by applicable laws and regulations to be made or to be obtained in undertaking the Project or this Agreement. To the best of its knowledge, the Company has complied with all applicable provisions of law requiring any notification to any governmental body or officer in connection with this Agreement or with the undertaking, completion or financing of the Project.

(g) Source for Repayment. The Company has a dedicated revenue source for the repayment of the Loan. The dedicated source of revenue includes a system of service rates, fees and charges or other sources of revenue established under the User Charge Resolution.

(h) Performance Under Agreement. The Company covenants and agrees:

(i) to comply with all applicable State and federal laws, rules and regulations in the performance of this Agreement, including federal laws and executive orders referenced in Exhibit B to the extent applicable; and

(ii) to cooperate with DNR in the timely observance and performance of the respective agreements of the Company and DNR under this Agreement.

(i) Control of Project Site. The Company will provide, or has provided, written assurance to DNR, signed by an attorney, that the Company has proper title, easements, and rights-of-way to the property on or through which the Project is to be constructed. This written assurance will be provided prior to construction contract award.

(j) Bid Solicitations. Executive Order 12549 – Debarment and Suspension establishes procedures that require EPA to deny any individual, organization, or unit of government the opportunity to participate in federally-assisted programs because of misconduct or poor performance. All records from

Central Contractor Registry (CCR), Federal Agency Registration (Fedreg), Online Representations and Certifications Application (ORCA) - and the Excluded Parties List System (EPLS), active or expired, were moved to the federal System for Award Management (SAM) e-procurement system. The Company can search these records and filter the results. The following paragraph must be included in the Instructions to Bidders:

The Code of Federal Regulations at Title 2, Part 180, prohibits participation in EPA funded contracts by persons excluded or disqualified from doing business with the federal government. Bidders are responsible for advising the Owner if they are excluded or disqualified, and to check whether subcontractors they intend to use are excluded or disqualified. All tiers of subcontractors have the same responsibility to notify the one for which they are providing services if they are excluded or disqualified, and to check the status of any subcontractors they intend to use. Status can be checked on the System for Award Management (SAM) located on the Internet at <https://www.sam.gov/SAM/>. All subcontracts at any tier should include this language.

The Company acknowledges that doing business with any party appearing in the “List of Parties Excluded from Federal Procurement or Non Procurement Programs” may result in the termination of the Company’s participation in the Direct Loan Program and may also result in suspension or debarment under the Regulations. The Company will obtain the written approval of DNR before advertising for bids.

(k) Buy American Iron and Steel Products. In accordance with Sec. 424 of the Consolidated Appropriations Act, 2016 (P.L. 114-133) and the America’s Water Infrastructure Act of 2018 (AWIA) (collectively, the “AIS Acts”), the Company assures that it, as well as its contractors and subcontractors, will only use iron and steel products in the Project that are produced in the United States in a manner consistent with United States obligations under international agreements. The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The Company understands that this requirement may only be waived by the applicable federal agency in limited situations as set out in the AIS Acts.

(l) Performance and Payment Bonds. The Company will require any Project contractor to post a separate performance bond and a separate payment bond or other security approved by DNR, each in the amount of the bid.

(m) Disadvantaged Business Enterprises (“DBEs”).

(1) The Company will ensure that DBEs have the opportunity to compete as sources for the procurement of supplies, equipment, construction and services related to this Agreement. The Company agrees to include information about these requirements in solicitation documents, including the following:

(A) the prime contractor must pay its subcontractor for satisfactory performance no more than 30 days from the prime contractor’s receipt of payment from the Company;

(B) the Company must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor;

(C) if a DBE subcontractor fails to complete work under its subcontract for any reason, the prime contractor must employ the “six good faith efforts” described in subparagraph (2) if soliciting a replacement subcontractor; and

(D) the prime contractor is to employ the “six good faith efforts” even if the prime contractor has achieved its “fair share goals” (the current “fair share goals” are 10% for Minority Business Enterprises (“MBE”) and 5% for Women Business Enterprises (“WBE”)).

(2) The “six good faith efforts” are:

(A) ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this includes placing DBEs on solicitation lists and soliciting them whenever they are potential sources;

(B) make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date;

(C) consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this includes dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process;

(D) encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually;

(E) use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(F) require any prime contractor or other recipient, if it is awarding subcontracts, to take the affirmative steps in clause (B) of this subparagraph.

(3) DBE Reporting: MBE/WBE reporting is required where there are funds budgeted for procuring construction, equipment, services and supplies, that exceed the threshold amount of \$250,000, including any amendments and/or modifications. Once the threshold is exceeded, all procurement actions are reportable, not just that portion that exceeds the threshold. The Company shall utilize EPA form 5700-52A to annually report to DNR procurements for the Project. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the Project period, whichever comes first.

(n) Prevailing Wage. The Company will require any Project contractor and subcontractor to pay all laborers and mechanics employed by the contractor or subcontractor at rates not less than the greater of (1) those rates prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (Davis-Bacon Act), as required by the Consolidated Appropriations Act, 2012 (P.L. 112-74) or (2) those rates required pursuant to Chapter 290 of the Revised Statutes of Missouri, as amended. The Company agrees to include information about these requirements in solicitation documents.

(o) Contract Award. The Company, with the prior written concurrence of DNR, will award any construction contract or contracts for the Project to the lowest responsive and responsible bidder.

(p) Completion of Project and Provision of Moneys. The Company agrees:

(i) to exercise its best efforts in accordance with prudent drinking water treatment utility practice to complete the Project in a timely manner in accordance with the Project Schedule; and

(ii) subject to the provisions of this Agreement to provide from its own financial resources all moneys in excess of the amount available under this Agreement and the Grant Agreement required to complete the Project.

(q) Requests for Funding; Use of Proceeds. The Company will request the funding of Purchase Price Installments to pay Eligible Costs in accordance with this Agreement to the extent the sum of Purchase Price Installments and Costs of Issuance has not exceeded the Maximum Principal Amount, in order to provide for the prompt payment of the contractors. The Company will apply the Disbursements to finance a portion of the Project Costs, and, where applicable, to reimburse the Company for a portion of the Project Costs, which portion was paid or incurred in anticipation of reimbursement from moneys held in the Construction Fund and is eligible for reimbursement pursuant to the Regulations. All costs will be Eligible Costs that DNR is authorized to finance pursuant to the Federal Act and the Regulations.

(r) Notice of Completion. The Company will provide written notice of the Initiation of Operations and the completion of construction of the Project to DNR within 45 days after the occurrence of each of these events.

(s) Compliance Certification. This paragraph is applicable if DNR notifies the Company in writing that the actions described in this paragraph are required. On the first anniversary of the Initiation of Operations, the Company will certify to DNR whether the Project meets the Project performance standards. Any statement of noncompliance must be accompanied by a corrective action report containing an analysis of the cause of the Project's failure to meet performance standards, the actions necessary to bring it into compliance and a projected date for positive certification of the Project. Timely corrective action will be implemented by the Company.

(t) Retention of Project Records. The Company will retain all Project records in accordance with Section 5.12 of this Agreement and Chapter 109 of the Revised Statutes of Missouri, as amended.

(u) Operations and Maintenance of System; User Charge Resolution. The Company will, in accordance with prudent drinking water treatment utility practice:

(i) at all times operate the System in an efficient manner;

(ii) maintain the System in good repair, working order and operating condition over the structural and design life of the System;

(iii) implement the User Charge Resolution as approved from time to time by the PSC for the term of the Loan; and

(iv) in accordance with 10 CSR 60-14.020 of the Regulations, provide a certified operator for the life of the System.

(v) Records and Accounts; Audits.

(i) The Company will keep accurate records and accounts for the System (the “System Records”) separate and distinct from its other records and accounts (the “General Accounts”). The System Records and General Accounts will be available for inspection by DNR at any reasonable time.

(ii) The Company will maintain the System Records in accordance with accounting principles generally accepted in the United States of America.

(A) The Company will use the accrual or modified accrual basis of accounting (in order to provide an effective measure of costs and expenditures) for the System Records.

(B) The Company may use an accounting method other than accounting principles generally accepted in the United States of America for its General Accounts.

(iii) Promptly after the end of each Fiscal Year, the Company will cause an audit of the System for the preceding Fiscal Year to be made by a certified public accountant or firm of certified public accountants employed for that purpose and paid from the Revenues pursuant to this Agreement. The annual audit will cover in reasonable detail the operation of the System during the Fiscal Year. So long as the Loan is outstanding, within 180 days after the end of the Company’s Fiscal Year, a copy of the audit will be delivered (via regular mail or electronically) to DNR. If audited financial statements are not available by the time required pursuant to this Section, the Company shall notify DNR in writing of the delay with the expected date of completion.

(iv) If notified by DNR, the Company will comply with OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grants Guidance), governing the audit of state and local governments, as determined by the EPA’s Guidance Letter dated December 24, 2014, if the Company expends during any Fiscal Year an aggregate amount of \$750,000 or more of federal assistance (1) under the Direct Loan Program and (2) from other federal sources.

(A) A copy of the Company’s annual audit, including the written comments and recommendations of the Company’s auditor, will be furnished to DNR within the time period provided in OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grants Guidance).

(B) The amount of federal assistance to the Company under the Direct Loan Program for each Fiscal Year will be identified in each payment review letter transmitted to the Company by DNR.

(v) In accordance with, and subject to the requirements of, Section 29.235 of the Revised Statutes of Missouri, as amended, the Company will (A) make available to the State auditor, or his or her designee, all books, accounts, records, reports, vouchers and other documents relating to the Project and the Loan and (B) permit the examination and inspection of all property, equipment and facilities constituting the Project.

(w) Inspections; Information. The Company will permit the EPA, the Paying Agent, DNR and any party designated by DNR to examine, visit and inspect the Project at any reasonable time and to inspect and make copies of any accounts, books and records, including its records regarding receipts,

disbursements, contracts, investments, its financial condition and other related matters, and will supply such reports and information as the EPA, the Paying Agent and DNR may reasonably require.

(x) Insurance. The Company will carry and maintain the amount of all risk insurance on the properties and operations of the System as required by the Master Note Indenture. If not required by the Master Note Indenture, the Company will carry and maintain the amount of all risk insurance that would be carried by similar municipal operators of drinking water treatment facilities, insofar as the properties are insurable at a commercially reasonable cost.

(y) Notice of Material Adverse Change. The Company will promptly notify DNR of any material and adverse change in the activities, prospects or condition (financial or otherwise) of the System or in the ability of the Company to make the Loan Payments and otherwise observe and perform its agreements under this Agreement.

(z) Completion Required Without Regard to Sufficiency of Loan. Subject to the provisions of this Agreement, the Company agrees to complete the Project whether or not the proceeds from the Loan are sufficient to complete the Project.

(aa) Signage. The Company agrees to comply with the Guidelines for Enhancing Public Awareness of SRF Assistance Agreements, issued by EPA and dated June 3, 2015.

(bb) Employee Pension Benefits Plan. The Company has not heretofore engaged in, and the consummation of the transactions herein provided for, and compliance by the Company with this Agreement and the Financing Documents will not involve, any prohibited transactions within the meaning of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or Section 4975 of the Code. No “employee pension benefit plans,” as defined in ERISA are maintained by the Company.

(cc) Federal Work Authorization Program. Simultaneously with the execution of this Agreement, the Company shall provide DNR with an affidavit and such other documentation meeting the requirements of Section 285.530 of the Revised Statutes of Missouri.

(dd) Anti-Discrimination Against Israel Act. Pursuant to Section 34.600 of the Revised Statutes of Missouri (the “Anti-Boycott Act”), the Company hereby certifies to DNR that the Company (including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies or affiliates of the Company) is not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel within the meaning of the Anti-Boycott Act. The foregoing certification shall not be deemed an admission or agreement that the Anti-Boycott Act is applicable to this Agreement but the foregoing certification is provided if the Anti-Boycott Act is applicable. If the Anti-Boycott Act is initially deemed or treated as applicable to this Agreement but it is subsequently determined not to apply to this Agreement for any reason including by reason of applicable federal law including, without limitation, 50 U.S.C. Section 4607, the repeal or amendment of the Anti-Boycott Act or any ruling of a court of competent jurisdiction as to the unenforceability or invalidity of the Anti-Boycott Act, then the foregoing certification shall cease and not exist.

Section 2.2 Representations and Covenants of DNR. DNR represents and covenants as follows:

(a) DNR is a department of the State and a governmental instrumentality duly organized and existing under the laws of the State with lawful power and authority to enter into and by all necessary action has been duly authorized to execute and deliver this Agreement and all ancillary agreements in connection with the Loan acting by and through its duly authorized officers.

(b) DNR is the State's administrative body responsible for the enforcement of the Federal Act and Chapter 640 of the Revised Statutes of Missouri, as amended, and is responsible for the management of the Direct Loan Program. DNR will comply with the terms and conditions of its agreements with EPA applicable to the Direct Loan Program.

(c) DNR commits to fund the Loan from the following sources (provided DNR may modify the sources if DNR has the legal authority to commit the replacement sources to the funding of the Loan):

(i) Capitalization Grant Agreement dated September 25, 2020, identification number FS-997629-20-0; and

(ii) The Water and Wastewater Loan Revolving Fund.

(d) The execution, delivery and performance of this Agreement by DNR will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or agreement or other instrument to which DNR is a party or by which it or any of its property is bound or any applicable law, rule or regulation.

ARTICLE III

EXECUTION OF AGREEMENT; TERMS OF LOAN

Section 3.1 Execution and Delivery of Agreement. Simultaneously with the execution of this Agreement, the Company will deliver the following:

(a) to DNR and the Paying Agent, a certified copy of the Authorizing Resolutions;

(b) to DNR and the Paying Agent, an executed counterpart of this Agreement and the Financing Documents;

(c) to DNR and the Paying Agent, a certificate of the Company executed by the Authorized Representative in form and substance satisfactory to DNR;

(d) to the Master Note Trustee, with a copy to DNR, all documents required to be delivered under the Master Note Indenture in order to issue the Master Note;

(e) to the Paying Agent, the executed Master Note in the maximum principal amount of \$11,249,000, to be held by the Paying Agent in trust on behalf of DNR;

(f) to DNR and the Paying Agent, a signed copy of the opinion of counsel to the Company in form and substance satisfactory to DNR; and

(g) to DNR and the Paying Agent, a signed copy of the opinion of Bond Counsel to the Company in form and substance satisfactory to DNR.

Section 3.2. Maximum Principal Amount of Loan. Subject to the provisions of this Agreement, DNR will make the Loan in installments to the Company in the maximum aggregate principal amount of \$11,249,000 to pay Eligible Costs of the Project and to pay Costs of Issuance. The Maximum Principal Amount may be reduced without revision of any other terms, provisions or conditions of this Agreement to reflect reductions in the estimated or actual total Eligible Costs as impacted by opening of bids for construction, change orders, final actual costs, and prepayments. The Loan is evidenced by the Master Note. The Company acknowledges that all Loan Payments are to be made directly to the Paying Agent.

Section 3.3. Funding of Purchase Price Installments and Disbursements.

(a) DNR will fund Purchase Price Installments and moneys will be disbursed from the Construction Fund to the Company only once each calendar month in accordance with this Section and the Escrow Agreement. DNR will not fund a Purchase Price Installment in the months of June and December after the date that is two Business Days prior to the 15th calendar day of those months, unless (i) the Company has made special arrangements with DNR and the Paying Agent to assure that interest on the Master Note payable on the following Interest Payment Date will be calculated and payment received by the Paying Agent not less than two Business Days prior to the Interest Payment Date, and (ii) DNR and the Paying Agent have agreed to the special arrangements, in their sole discretion.

(b) The Company will deliver, by overnight delivery or regular mail service, a completed Requisition to DNR. The Requisition must be executed by the Authorized Representative, set forth the amounts due and payable to the payees identified in signed invoices or statements attached to the Requisition submitted to DNR, and contain any additional information requested by DNR. The execution and delivery of a Requisition will constitute a representation by the Company that, to the best of its knowledge, the amounts for which a Requisition is submitted are due and payable and constitute Eligible Costs and/or Costs of Issuance. Notwithstanding any provision herein to the contrary, no Requisition is required for the initial Purchase Price Installment related to Costs of Issuance.

(c) DNR will use its best efforts to review a Requisition within ten Business Days after its receipt to determine if any Project Costs are Ineligible Costs. This determination will be conclusive, unless determined otherwise by EPA in its annual oversight reviews. DNR will notify the Paying Agent of DNR's approval of the Requisition in whole or in part by transmitting to the Paying Agent the approved Requisition by facsimile transmission. The approved Requisition will not be accompanied by applicable vouchers and statements. DNR will not approve any Requisition upon an Event of Default by the Company or the issuance of a stop-work order by EPA or DNR.

(d) Upon DNR's approval of a Requisition, DNR will fund a Purchase Price Installment in an amount equal to the Actual Reimbursement Amount by electronic transfer of funds to the Paying Agent for deposit by the Paying Agent in the Construction Fund.

(e) Subject to Section 7 of the Escrow Agreement, the Paying Agent will pay the Actual Reimbursement Amount to the Company within two Business Days after the Paying Agent's receipt of the approved Requisition. Immediately upon receipt of any future Purchase Price Installments pursuant to Section 3.3 of the Loan Agreement, the Paying Agent shall provide written notice to the Master Note Trustee that the Master Note should be endorsed in the amount equal to the applicable Purchase Price Installment to evidence an increase in the aggregate principal amount of the Master Note. The date of the endorsement shall be the date of funding of the Purchase Price Installment by DNR.

Section 3.4 Completion of Project and Initiation of Operations. The completion of the Project shall be evidenced to the Paying Agent and DNR by a certificate signed by the Authorized Representative stating (a) that the Project has been completed in accordance with the plans and specifications therefor, (b) that all Project Costs have been paid, except Project Costs the payment of which is not yet due or is being retained or contested in good faith by the Company, (c) the date of the Initiation of Operations, and (d) that the Project meets National Pollution Discharge Elimination System (“NPDES”) permit limits, if applicable. The Company’s certificate must be accompanied by a certification by the Consulting Engineer that the Project was constructed in accordance with the approved plans and specifications and, if applicable, meets NPDES permit limits. The Company’s certificate may state that it is given without prejudice as to any rights of the Company against third parties that exist as of the date of the certificate or that may subsequently come into being.

Section 3.5 Completion of Funding.

(a) The Completion of Funding will be the date of a certificate signed by the Authorized Representative stating that no further funding of Purchase Price Installments will be requested by the Company and delivered to the Paying Agent and DNR. DNR may direct the Company to sign and deliver a Completion of Funding certificate in appropriate circumstances. Appropriate circumstances include, but are not limited, to the following:

(i) the Company appears to have satisfied or is in a position to satisfy the conditions set forth in Section 3.4 for completion of the Project and/or has filed the certificate described in Section 3.4 but has not filed the Completion of Funding certificate in a timely manner;

(ii) the Company has not submitted a Requisition for a significant period of time or otherwise demonstrated that the Company is proceeding with due diligence to complete the Project; or

(iii) Completion of Funding has not occurred by the third anniversary of the Closing Date, unless the Company, by written request to DNR, requests an extension and establishes to the satisfaction of DNR that Completion of Funding will occur within a reasonable period thereafter.

(b) Within 10 Business Days after the Company has delivered the Completion of Funding certificate, DNR will provide a final debt service schedule and replacement Mandatory Sinking Fund Redemption Schedule to the Paying Agent and the Master Note Trustee.

ARTICLE IV

LOAN PAYMENTS; PREPAYMENT OF LOAN; REDEMPTION OF NOTE

Section 4.1 Payments. To provide for the repayment of the Loan, the Company covenants and agrees that it will make the following payments from moneys available to the Company by the Funds Transfer Method, on each Quarterly Payment Date, to the Paying Agent for credit to the Interest Account and the Principal Account:

(a) to the Interest Account, on June 15, 2022, the entire amount of interest due on the Master Note on the next Interest Payment Date (July 1, 2022) and each Quarterly Payment Date thereafter, 1/2 of the amount of interest due on the Master Note on the next Interest Payment Date, with the balance in the Debt Service Fund and the Interest Account on an Interest Payment Date after the payment of the principal of and interest due on the Master Note on the Interest Payment Date to be credited against the next succeeding Quarterly Payment; provided that prior to the Completion of Funding,

(1) the investment earnings on the Construction Fund for the preceding calendar quarter will be credited against the next quarterly payment,

(2) for purposes of the first Quarterly Payment of each Interest Period, the amount of interest due on the next Interest Payment Date will be estimated based upon an expected disbursement schedule for the Interest Period provided by the Company to DNR and the Paying Agent, and

(3) for purposes of the second Quarterly Payment of each Interest Period, the interest due on the next Interest Payment Date will be calculated by the Paying Agent based upon Purchase Price Installments funded at least three Business Days prior to the Quarterly Payment Date and the second Quarterly Payment calculated so that the amount on deposit in the Interest Account after receipt of the second Quarterly Payment will equal interest payable on the Master Note on the Interest Payment Date; and

(b) to the Principal Account, on June 15, 2022, the entire amount of principal due on the Master Note on the next Principal Payment Date (July 1, 2022) and each Quarterly Payment Date thereafter, 1/2 of the principal due on the Master Note on the next succeeding Principal Payment Date, whether at Stated Maturity or upon mandatory sinking fund redemption. If the Initiation of Operations specified in the certificate delivered by the Company under Section 3.4 is earlier than the expected Initiation of Operations, (1) the first quarterly installment of principal of the Master Note will be paid no later than the Quarterly Payment Date which is not more than 12 months after the Initiation of Operations, and (2) on the Quarterly Payment Date which is not more than 20 years after the Initiation of Operations, all remaining unpaid Purchase Price Installments will be paid.

Section 4.2 Additional Payments. The Company agrees to make the following additional payments to the Paying Agent, within 30 days after receipt of a statement from the Paying Agent, (a) the Administrative Fee, and (b) an amount equal to the Paying Agent's fees and expenses as provided in the Escrow Agreement. The Company shall be responsible for all fees and expenses of the Master Note Trustee pursuant to the Master Note Indenture.

Section 4.3 Obligations of Company Unconditional. The Company covenants and agrees that it will pay all Loan Payments and Additional Payments due under this Agreement and perform its obligations, covenants and agreements under this Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstances whatsoever, whether now existing or hereafter arising, and regardless of whether or not the Project is completed, any change in the tax or other law of the United States of America, the State or any political subdivision of either thereof, or any default of DNR under this Agreement, and regardless of the invalidity of any action of DNR, and regardless of the invalidity of any portion of this Agreement. To the extent permitted by law, the Company waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Agreement or which releases or purports to release the Company therefrom. Nothing in this Agreement shall be construed as a waiver by the Company of any rights or claims the Company may have against DNR under this Agreement or otherwise, but any recovery upon such rights or claims shall be had from DNR separately, it being the intent of this Agreement that the Company shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Agreement and the Master Note.

Section 4.4 Loan Prepayment. The Company may prepay the Loan by complying with the redemption provisions for the Master Note as set forth in Section 4.5. The Company will be responsible for

the payment of any professional costs, fees and expenses incurred in connection with the prepayment of the Loan.

Section 4.5 Redemption of Master Note.

(a) At the option of the Company, with the prior written consent of the Owner (which may not be unreasonably withheld), the Master Note may be called for redemption and payment prior to the Stated Maturity thereof in whole or in part at any time on or after the 10th anniversary of the Closing Date at the redemption price of 100% of the principal amount thereof plus accrued interest thereon to the date of redemption. Notwithstanding the foregoing, the Master Note may be called for redemption and payment prior to the Stated Maturity prior to the 10th anniversary of the Closing Date with the prior written consent of the Owner. If an optional redemption is in part, the principal amount for each Principal Payment Date following the optional redemption will be reduced on a proportionate basis (to the nearest \$0.01). If the Master Note is optionally redeemed prior to the Stated Maturity thereof, the Owner may require the payment by the Company of a sum sufficient to cover any professional costs, fees and expenses (including the fees and expenses of the Paying Agent, the Master Trustee and other consultants (legal, financial or otherwise) of the Owner and the Authority) incurred in connection with the early redemption of the Master Note.

(b) The Master Note is subject to mandatory sinking fund redemption in part, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the Principal Payment Dates and in the principal amounts as set forth in the Mandatory Sinking Fund Redemption Schedule.

(c) If upon the Completion of Funding, the Cumulative Principal Amount Outstanding is less than the Maximum Principal Amount (disregarding any scheduled redemptions above that have occurred prior to the Completion of Funding), the principal amount for each Principal Payment Date following the Completion of Funding will be reduced on a proportionate basis (to the nearest \$0.01).

(d) Upon the partial redemption of the Master Note pursuant to subsection (a) of this Section or if subsection (c) of this Section is applicable, the Owner will provide a replacement Mandatory Sinking Fund Redemption Schedule, reflecting the reductions to the principal amounts, to the Paying Agent, the Master Note Trustee and the Company, which will be binding on the Company absent manifest error and will replace the previous Mandatory Sinking Fund Redemption Schedule without any further action on the part of the Company. The revised Mandatory Sinking Fund Redemption Schedule is subject to such verification requirements as may be reasonably established by the Paying Agent and the Master Note Trustee.

(e) The redemption of the Master Note in part or any reduction in the principal amount following the Completion of Funding will be reflected in the records maintained by the Paying Agent and the Master Note Trustee.

Section 4.6 Notice and Effect of Call for Redemption. So long as the DNR is the sole Owner of the Master Note, the following provisions shall apply:

(a) No notice of the mandatory redemption of Master Note is required to be given. If the Master Note is being optionally redeemed, notice of redemption will be given in the manner described in the Master Note Indenture unless waived by any Owner of Master Note to be redeemed. Notwithstanding any provision of the Master Note Indenture to the contrary, in the event of a partial redemption of the Master Note, in lieu of surrendering the Master Note for a new registered Master Note, the Paying Agent shall provide written notice to the Master Note Trustee that the Master Note should be endorsed to reflect the date and amount of such partial redemption.

(b) If notice of redemption has been given or waived, the Master Note or portions to be redeemed will become due and payable on the redemption date at the redemption price specified in the notice. From and after the redemption date (unless the Company defaults in the payment of the redemption price), the called portion of the Master Note will cease to bear interest.

Section 4.7 Satisfaction of Obligations; Disposition of Remaining Moneys. If the Company shall provide for the payment of the Loan in full and satisfy all of its obligations under this Agreement, all property, rights and interest assigned by or pledged under this Agreement, the Mortgage and the Master Note Indenture shall revert to the Company, and the right, title and interest of DNR therein shall thereupon cease, terminate and become void; and this Agreement, and the covenants of the Company contained herein, shall be discharged. In that case, on written demand of the Company and at its cost and expense, DNR shall execute and deliver to the Company and the Master Trustee a proper instrument or instruments acknowledging the satisfaction and termination of this Agreement. Upon the payment in full of the Master Note and the payment of the Administrative Fee, the Paying Agent's Fee and expenses and the extraordinary fees and expenses of the Paying Agent, if any, the Paying Agent will disburse the moneys and Investment Securities remaining in the Repayment Fund to the Company.

ARTICLE V

TAX REPRESENTATIONS AND COVENANTS

Section 5.1 Meaning of Words and Terms. Words and phrases used in this Article generally have the meanings assigned in §§ 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code"), in the applicable regulations and rulings issued by the U.S. Treasury Department (the "Treasury Regulations"), and in Article I. In addition to words and terms defined in this Agreement, the following words and terms used in this Article have the following meanings:

"Annual Compliance Checklist" means a questionnaire and/or checklist that is completed each year for the Master Note by the Company, as set forth in the Tax Compliance Procedure, initially in the form set forth in Exhibit C, executed by the Company Bond Compliance Officer.

"Authority" means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State.

"Authority Bond Compliance Officer" means the Deputy Director of the Authority or any successor officer tasked with post-issuance compliance duties pursuant to the Tax Compliance Procedure.

"Bond Transcript" means the "transcript of proceedings" or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Master Note.

"Bond Year" means each one-year period (or shorter period for the first Bond Year) ending July 1.

"Code" means the Internal Revenue Code of 1986, as amended.

"Company Bond Compliance Officer" means the Company's Chief Financial Officer or any successor to the duties of such official.

"Costs of Issuance" means, generally, any cost or expense incurred on account of and in connection with the borrowing including, (i) underwriter's spread (whether realized directly or derived through purchase of the Master Note at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, underwriter's counsel, issuer's counsel, disclosure counsel, company counsel in the case of borrowings such as those for exempt facilities, as well as any other

specialized counsel fees incurred in connection with the borrowing); (iii) financial advisor fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the borrowing; (vi) paying agent and certifying and authenticating agent fees related to issuance of the Master Note; (vii) accountant fees (e.g., accountant verifications in the case of advance refundings) related to issuance of the Master Note; (viii) printing costs (for the Master Note and of preliminary and final offering materials); (ix) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing or voter referendum); and (x) costs of engineering and feasibility studies necessary to the issuance of the Master Note (as opposed to such studies related to completion of the Financed Facility, but not to the financing). However, Costs of Issuance do not include fees and expenses directly related to the cost of credit enhancement for the Master Note to the extent such fees or expenses may be included as a qualified guaranty in the calculation of the Yield on the Master Note.

“Final Written Allocation” means the Final Written Allocation of Master Note proceeds prepared pursuant to Section 5.9.

“Financed Facility” means the portion of the Project consisting of property financed or refinanced with the proceeds of the Master Note as described in this Agreement. If there is more than one “Project” described in the definition of “Project” in Article I, for this Article V “Financed Facility” means the bond-financed portion of each “Project” described in Article I.

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, gross proceeds of the Master Note. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“Issue Date” means the date of issuance of the Master Note, which is the first date that the sum of the initial Purchase Price Installment and subsequent Purchase Price Installments exceed the lesser of \$50,000 or 5% of the sale proceeds.

“Measurement Period” means, with respect to each item of property financed as part of the Financed Facility, the period beginning on the later of (a) the Issue Date or (b) the date the property is placed in service and ending on the earlier of (i) the final maturity date of the Master Note or (ii) the expected economic useful life of the property.

“Net Proceeds” means, when used in reference to the Master Note, the sale proceeds of the Master Note (excluding pre-issuance accrued interest), less an allocable share of any proceeds deposited in a reasonably required reserve or replacement fund, plus an allocable share of all Investment earnings on such sale proceeds.

“Non-Qualified User” means a person other than a Qualified User.

“Opinion of Bond Counsel” means the written opinion of a firm of nationally recognized bond counsel acceptable to the Authority to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest on Master Trust Bonds from gross income for federal income tax purposes.

“Post-Issuance Tax Requirements” means those requirements related to the use of proceeds of the Master Note, the use of the Financed Facility and the investment of gross proceeds of the Master Note after the Issue Date.

“Qualified User” means a State, territory, a possession of the United States of America, the District of Columbia, or any political subdivision thereof or any instrumentality of such unit. The term “Qualified User” does not include the United States of America or any agency or instrumentality thereof.

“Tax Compliance Procedure” means the Authority’s State Revolving Funds Programs Tax Compliance Procedure dated as of July 25, 2013, attached as Exhibit D, as amended and supplemented from time to time.

“Water Facility” or “Water Facilities” means any facility for the furnishing of water if (i) the water is or will be made available to members of the general public (including electric utility, industrial, agricultural, or commercial users), and (ii) either the facility is operated by a governmental unit or the rates for the furnishing or sale of the water have been established or approved by a state or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision thereof. A “Water Facility” includes artesian wells, reservoirs, dams, related equipment and pipelines, and other facilities used to furnish water for domestic, industrial, irrigation, or other purposes.

Section 5.2 General. The Master Note is being issued for the purpose of providing funds to pay the costs of the Financed Facility. The Company acknowledges that the investment and expenditure of proceeds of the Master Note are primarily within its control and that substantially all of the net proceeds of the Master Note will be used to finance property that is owned and controlled by the Company. For these reasons, the Company acknowledges and agrees that, in order to induce DNR to provide favorable financing through the Direct Loan Program by the purchase of the Master Note and the Authority to issue its Master Trust Bonds from time to time, the Company makes the representations and covenants related to the Post-Issuance Tax Requirements as set forth in this Article V for the benefit of DNR and the Authority.

Section 5.3 Authority and Purpose for Master Note; Location of Project.

(a) The Master Note is being issued for the purpose of providing funds to pay a portion of the costs of the Project. The Project consists of capital expenditures more specifically described in the definition of “Project” in Article I.

(b) As of the date of this Agreement, the Project is expected to be located northwest of the intersection of 906 West High Street and Fulkerson Street in Jefferson City, Missouri.

Section 5.4 Proceeds of Master Note; Other Sources.

(a) *Amount of Master Note Proceeds*. The total maximum proceeds to be received by the Company from the sale of the Master Note will be \$11,249,000, funded in installments, as follows: (i) the initial Purchase Price Installment paid to the Paying Agent on the Closing Date in the amount of \$10,710,381.81, and (ii) the balance funded from time to time pursuant to this Agreement and deposited in the Construction Fund in accordance with the Escrow Agreement. The Company expects to request the funding of additional Purchase Price Installments on the dates and in the amounts as set forth in the Company’s due diligence request form or related documents filed with DNR.

(b) *No Other Sources*. No additional amounts are anticipated to be used to pay the costs of the Project other than the proceeds of the Master Note disbursed from time to time pursuant to this Agreement.

Section 5.5 Use of Master Note Proceeds – Facilities for the Furnishing of Water.

(a) *95% Requirement*. At least 95% of the Net Proceeds of the Master Note will be used to finance “eligible costs” of a Water Facility. For this purpose, “eligible costs” means costs which are

chargeable to the capital account of the Project, or would be so chargeable, either with a proper election by the Company (e.g., under Code § 266), or but for a proper election by the Company to deduct such amounts. The Company will (A) ensure water furnished from the Project is made available to members of the general public and (B) operate the Project as a Water Facility in compliance with Code § 142(a)(4), the Treasury Regulations, and this Article V as long as the Master Note remains outstanding. The rates for furnishing of water from the Water Facilities have been established or approved by the State of Missouri Public Service Commission, which is a public utility commission of the State of Missouri. The Company agrees to not deny access to water to residential users or municipal water districts providing water to the general public in the service area without first receiving favorable advice of Bond Counsel.

(b) *Land.* Not more than 25% of the Net Proceeds of the Master Note will be used (directly or indirectly) for the acquisition of land or an interest in land (such as an easement).

(c) *No Acquisition of Existing Property.* No portion of the Net Proceeds of the Master Note will be used for the acquisition of any property or any interest in any property, unless the first use of the property will be pursuant to the acquisition.

(d) *Limit on Maturity of Master Note.* A list of the assets included in the Project and a computation of their “average reasonably expected economic life” is attached as Exhibit F. Based on this computation, the “average maturity” of the Master Note, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.

(e) *Prohibited Facilities.* No portion of the Master Note proceeds will be used to provide any private or commercial golf course, country club, massage parlor, tennis club, skating facility (including roller skating, skateboard and ice skating), racquet sports facility (including any handball or racquetball court), hot tub facility, suntan facility, racetrack, airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, as such terms are used in Code § 147(e).

(f) *Limit on Costs of Issuance.* Not more than 2% of the sale proceeds of the Master Note will be used to pay Costs of Issuance.

(g) *No Federal Guarantees.* The Company will not take any action or permit any action to be taken that would cause the Master Note to be “federally guaranteed” within the meaning of Code § 149(b).

Section 5.6 Sinking Funds. The Company is required under this Agreement to make periodic payments in amounts sufficient to pay the principal of and interest on the Master Note. The Company will deposit these payments with the Paying Agent into the Principal Account and the Interest Account of the Repayment Fund held by the Paying Agent. Except for the Principal Account and the Interest Account and the Debt Service Fund, the Company has not established, and does not expect to establish, any sinking fund or other similar fund expected to be used directly or indirectly to pay principal of or interest on the Master Note. The Repayment Fund and the Debt Service Fund are used primarily to achieve a proper matching of revenues with principal and interest payments on the Master Note within each Bond Year and the Company expects that the Repayment Fund and the Debt Service Fund will each qualify as a “bona fide debt service fund,” as that term is defined in the Treasury Regulations.

Section 5.7 No Replacement Funds. None of the Master Note proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Financed Facility, and that have been or will be used to acquire higher yielding Investments. Except for the Principal Account and the Interest Account of the Repayment Fund and the Debt Service Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Master Note if the Company encounters financial difficulty.

Section 5.8 Allocation of Master Note Proceeds.

(a) *Allocations.* The Corporation will evidence each allocation of the proceeds of the Master Note and other money of the Company for the Project to an expenditure in writing. No allocation will be made more than 18 months following the later of (i) the date of the expenditure or (ii) the date the Project was placed in service.

(b) *Reimbursement of Expenditures – Authority Resolution.* The Company understands that on October 3, 2019, the Authority adopted a resolution declaring the intent of the Authority to issue a tax-exempt bond and make the proceeds of the tax-exempt borrowing available to the Company to finance costs of the Financed Facility, and to reimburse the Company for expenditures made for the Financed Facility prior to the issuance of the tax-exempt borrowing (the “Reimbursement Action”). A copy of the Reimbursement Action is contained in the Bond Transcript. No portion of the net proceeds of the Master Note will be used to reimburse an expenditure paid by the Company more than 60 days prior to the date the Reimbursement Action was passed. No reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Project was placed in service. In all events, no reimbursement allocation will be made more than 3 years after the original expenditure was paid.

Section 5.9 Final Written Allocation. The Company agrees that its file of all Requisitions and supporting invoices provided to DNR pursuant to Article III will constitute the Company’s Final Written Allocation of the application of proceeds of the Master Note to the Financed Facility. The Company may, with at least 60 days’ prior written notice to, and the written consent of DNR, deliver a revised Final Written Allocation to DNR if the revised Final Written Allocation is accompanied by an Opinion of Bond Counsel. However, no revised Final Written Allocation will be made more than 18 months following the later of (a) the date of the expenditure or (b) the date the Financed Facility was placed in service, unless an Opinion of Bond Counsel is delivered to DNR.

Section 5.10 Hedge Bonds. The Company expects that at least 85% of the net sale proceeds of the Master Note will be used to carry out the governmental purpose of the Master Note within three years after the Issue Date.

Section 5.11 Post-Issuance Compliance with Federal Tax Matters. The Company shall complete the Annual Compliance Checklist and deliver the Annual Compliance Checklist to the Authority Bond Compliance Officer in accordance with the Tax Compliance Procedure. To the extent within its power and control, the Company will take all action requested in writing by the Authority Bond Compliance Officer that is necessary to cause the interest on the Master Trust Bonds to remain excludable from gross income for federal income tax purposes.

Section 5.12 Records.

(a) The Company recognizes that (i) investors purchase the Master Trust Bonds with the expectation that interest on the Master Trust Bonds is and will remain excludable from gross income for federal income tax purposes, (ii) the tax-exempt status of interest on the Master Trust Bonds depends in part on the accuracy of the Company’s representations and the satisfaction of the Company’s agreements contained in this Article V, many of which relate to matters that will occur after the Issue Date, and (iii) as part of its ongoing tax-exempt bond audit program the Internal Revenue Service requires that records be created and maintained with respect to the following matters:

(1) documentation evidencing the expenditure of the Master Note in sufficient detail to determine the date of the expenditure, the asset acquired or the purpose of the expenditure, and the expected economic life of the asset together with documentation evidencing that 95% of the

Net Proceeds of the Master Note were used to finance capital expenditures with respect to a Water Facility; and

(2) documentation evidencing that water furnished from the Project is made available to members of the general public and that the Company operates the Project as a Water Facility in compliance with Code § 142(a)(4), the Treasury Regulations thereunder.

(b) The Company has procedures in place or will establish procedures to create and retain these records. Unless otherwise specifically instructed in a written Opinion of Bond Counsel, the Company will retain and maintain these records related to the Post-Issuance Tax Requirements until three years following the final maturity of (i) the Master Note or (ii) any obligation issued to refund the Master Note. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records that indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the Company, and (5) not be subject to any agreement that would limit the ability of the Internal Revenue Service to access and use the electronic storage system on the Company's premises.

ARTICLE V-A

ADDITIONAL COVENANTS OF THE COMPANY

Section 5A.1 Legal Existence, Maintenance of Properties, and Similar Matters. The Company hereby covenants as follows:

(a) *Maintenance of Legal Existence.* Except as otherwise expressly provided herein, the Company shall take all actions necessary to (1) preserve its corporate or other separate legal existence, (2) be and remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification, and (3) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs; provided, however, that the Company shall not be required to preserve any right or license that is no longer in the judgment of its Governing Body, desirable in the conduct of its business and the loss thereof is not disadvantageous in any material respect to DNR, as of the Owner of the Master Note, or the ability of the Company to perform its obligations hereunder or under the Master Note, the Master Note Indenture, the Senior Indenture or any Related Obligation Documents (as defined in the Master Note Indenture).

(b) *Maintenance and Use of Property.* The Company shall cause the Mortgaged Property to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all proper repairs, renewals, replacements and improvements thereof necessary for the efficient, proper and advantageous conduct of its business and operations; provided, however, that nothing herein contained shall be construed (1) to prevent it from discontinuing the operation of any of its Mortgaged Property or from removing or demolishing any building or buildings, if such discontinuance is, in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body), desirable in the conduct of its business and not disadvantageous in any material respects to DNR, as of the Owner of the Master Note, or (2) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business, and the loss of which is not disadvantageous in any material respect to DNR, as of the Owner of the Master Note, or the ability of the Company to perform its obligations hereunder or under the Master Note, the Master Note Indenture,

the Senior Indenture or any Related Obligation Documents. So long as the Company is in full compliance with the terms and provisions of this Agreement, the Master Note, the Master Note Indenture, the Senior Indenture and any Related Obligation Documents, the Company may possess, use and enjoy its Property and appurtenances thereto free of claims of DNR.

(c) *Compliance with Laws and Regulations.* The Company shall comply in all material respects with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations and Property; provided, however, that nothing contained in this Agreement shall require the Company to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as (1) the validity thereof is being contested in good faith by appropriate proceedings and the Company shall have set aside on its books adequate reserves with respect to such contest, or (2) such noncompliance shall not materially impair the ability of the Company to meet its obligations hereunder, under the Master Note, the Master Note Indenture, the Senior Indenture or any Related Obligation Documents (as defined in the Master Note Indenture); and provided further that, no such contest or noncompliance shall subject DNR, the Authority or the Paying Agent to the risk of any liability. The Company shall give DNR, the Authority and the Paying Agent prompt written notice of any such contest.

(d) *Payment of Taxes and Other Charges.* The Company shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Company or its Property or any part thereof or upon any income therefrom, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Master Note Trustee, DNR, as of the Owner of the Master Note, or of the holders of any Parity Master Notes in the Trust Estate (as defined in the Master Note Indenture), so that (to the extent aforesaid) the lien of the Master Note Indenture shall at all times be wholly preserved at the cost of the Company and without expense to the Master Note Trustee, DNR, as of the Owner of the Master Note, or of the holders of any Parity Master Notes; provided, however, that the Company shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof is being contested in good faith by appropriate proceedings and the Company shall have established and shall maintain adequate reserves on its books for the payment of the same; and provided further that, no such contest or noncompliance shall subject DNR, the Authority or the Paying Agent to the risk of any liability. The Company shall give DNR, the Authority and the Paying Agent prompt written notice of any such contest. Notwithstanding the foregoing, if the Master Note Trustee or the holders of at least 25% in principal amount of all master notes outstanding under the Master Note Indenture notify the Company that by nonpayment of any of the foregoing items the Property of the Company or any substantial part thereof will be subject to imminent loss or forfeiture, then the Company shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

(e) *Payment of Obligations.* The Company shall promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof (excluding the Master Note and any Parity Master Notes issued and Outstanding under the Master Note Indenture) is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to pay its indebtedness when due nor subject a material amount of the Property of the Company to loss or forfeiture.

(f) *Liens and Encumbrances.* The Company shall not create or incur nor permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Mortgaged Property except Permitted Encumbrances. The Company shall promptly discharge or terminate all

mortgages, liens, security interests, charges and encumbrances on the Mortgaged Property that are not Permitted Encumbrances. The Company shall at all times comply with all terms, covenants and provisions contained in any Permitted Encumbrances at such time existing upon the Property or any part thereof or securing any of its Indebtedness unless the validity, amount or collectability thereof is being contested in good faith or the failure to comply or contest would not materially impair its ability to pay its Indebtedness when due nor subject any Property of the Company to loss or forfeiture.

(g) *Validity of Documents.* The Company shall not take any action which would result in this Agreement, the Master Note Indenture or the Master Note being declared invalid.

Section 5A.2 Damage or Destruction; Condemnation or Loss of Title. If the System or any portion thereof is damaged or destroyed by fire or other casualty or condemned or taken for any public or quasi-public use or title thereto is found to be deficient, the Net Proceeds of any insurance relating to such damage or taking shall be applied pursuant to the provisions of the Master Note Indenture. Any moneys allocated to DNR, as the Owner of the Master Note, in accordance with the Master Note Indenture will immediately be deposited into the Principal Account of the Repayment Funds and applied to the outstanding principal balance of the Master Note.

Section 5A.3 Merger, Consolidation, Sale, Lease, Conveyance or Other Disposition of Property. The Company will not merge or consolidate with any other Person or sell or convey all or substantially all of its Property to any other Person except as otherwise provided in this Agreement and the Master Note Indenture. Notwithstanding the foregoing, the Company shall not consolidate with or merge into any other Person or convey or transfer its Property substantially as an entirety to any Person without the prior written consent of DNR. Upon any consolidation or merger, the successor Company or other entity formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such successor Company or other entity had been named as the Company herein.

Section 5A.4 Rates for Service. The Company covenants and agrees to comply with the requirements of the PSC in developing and implementing a system of rates and charges for the System. The Company shall use reasonable efforts to request the PSC to set rates, fees and charges for the use and services furnished by or through the System and shall collect such set rates, fees and charges to produce income and revenues sufficient to (a) pay the costs of the operation and maintenance of the System; (b) pay the principal of and interest on the Master Note as and when due; (c) enable the Company to have Net Income Available for Debt Service in an amount required to be paid by the Company in the Fiscal Year on account of both principal of and interest on all Indebtedness at the time outstanding, provided that (i) interest on any Indebtedness will be reduced by Subsidy Payments, if any, and (ii) principal and/or interest on any Indebtedness will be reduced by amounts deposited in trust or escrowed for the payment thereof with the Owner or commercial bank or trust company located in the State of Missouri having full trust powers and acting as trustee or escrow agent and that are reasonably expected to be used for the payment of principal and/or interest on any Indebtedness during the calculation period; and (d) provide reasonable and adequate reserves for the payment of the Master Note and the interest thereon and for the protection and benefit of the System as provided in this Agreement. The Company will require the prompt payment of accounts for service rendered by or through the System and will promptly take whatever action is legally permissible to enforce and collect delinquent charges. Each Fiscal Year the Company shall review the rates, fees and charges for the use and services furnished by or through the System and, subject to PSC approval, revise such rates, fees and charges as necessary to ensure that the System generates Net Income Available for Debt Service sufficient to meet the requirements of this Section. Upon written request, the Company shall furnish to supporting financial statements, records and calculations to evidence compliance with this Section.

Section 5A.5 Environmental Matters.

(a) The Company is, in all material respects, in compliance with all federal, state and local environmental laws, ordinances, regulations and rulings (collectively, “Environmental Laws”); the Company has received no notice of any alleged violation of any Environmental Laws; and the Company will continue to comply, in all material respects, with all Environmental Laws which are applicable to the Property of the Company. The Company shall promptly and diligently take or cause to be taken all actions necessary to cure any noncompliance with any Environmental Law and shall be solely responsible for any violation by it, its employees or agents of any Environmental Laws, and the Company further agrees that it will take all necessary action to clean-up, eliminate or contain any environmental contamination including contamination caused by any previous owner or use of the Property and will pay in full all costs and expenses associated with such action. The Company, to the extent allowed by law, shall indemnify DNR against, shall hold DNR harmless from, and shall reimburse DNR for, any and all claims, demands, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys’ fees directly or indirectly incurred by DNR (prior to trial, at trial and on appeal) in any action against or involving DNR, resulting from any violation, actual or alleged, of or any other liability under or in connection with any Environmental Law upon or about the Property of the Company or respecting any products or materials previously or now located upon, delivered to or in transit to or from the Property of the Company, regardless of whether such violation or alleged violation has occurred prior to the date hereof or hereafter occurs and regardless of whether such violation or alleged violation occurs as a result of the negligence or misconduct of the Company or any third party or otherwise, it being the intent of the Company, that DNR shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, hazardous substances by virtue of the interest of DNR in the Property of the Company pursuant to this Agreement or any of the other Financing Documents, or as the result of DNR exercising any of its rights or remedies with respect thereto under this Agreement or under any other instrument including, but not limited to, becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing covenants representations and warranties of the Company contained in this Section shall be deemed continuing covenants, representations and warranties for the benefit of DNR, any successors and assigns of DNR including, but not limited to, any purchaser at a foreclosure sale, any transferee of the title at a foreclosure sale, and any subsequent owner of the Property of the Company, and shall survive the satisfaction or release of this Agreement, the Master Note Indenture or any other instrument, any foreclosure of a mortgage lien under the Mortgage or any other instrument, or any acquisition of title to the Property of the Company or any part thereof by DNR, by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the then-current Prime Rate or, if less, the maximum rate permitted by law, and shall be payable on demand.

(b) Notwithstanding the foregoing, the Company shall not be obligated to indemnify and hold harmless any Person from and against any claims, demands, liabilities and costs, including without limitation attorneys’ fees, which arise solely as a result of the gross negligence or willful misconduct of such Person.

Section 5A.6 Indemnity.

(a) The Company will, at its expense, pay and indemnify and save DNR, the Authority and the Paying Agent and their respective current, former and future members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense (including reasonable attorneys’ fees and expenses in connection therewith) arising out of any and all claims, demands, judgments, expenses, penalties, fines, taxes of any character or nature whatsoever regardless of by whom imposed, and losses of every conceivable kind, character and nature whatsoever including the following:

- (i) any injury to or death of any person or damage to property in or upon the Project or resulting from or connected with the use, non-use, condition or occupancy of the Project or any part of it;
- (ii) the violation of any agreement or condition of this Agreement except by DNR;
- (iii) the violation of any contract, agreement or restriction by the Company relating to the Project;
- (iv) the violation of any law, ordinance or regulation arising out of the ownership, occupancy or use of the Project or any part of it;
- (v) the issuance and sale of the Master Note or the execution, delivery and performance of the documents to which the Company is a party relating to the issuance of the Master Note or the delivery of the Master Note Indenture or the Mortgage;
- (vii) any act of the Company or any of its agents, contractors or licensees;
- (vii) the Company's contest of a tax, assessment or governmental charge initiated pursuant to Section 5A.1(d);
- (viii) any statement or information provided by the Company concerning the Company, its officers and members, the System, the Master Note, the Master Note Indenture, the Mortgage or the Project contained in any official statements, private placement memorandum or other disclosure documents furnished to purchasers of any Master Trust Bonds that is untrue or incorrect in any material respect and any omission from any official statements, private placement memorandum or other disclosure documents of any statement or information which should be contained in it for the purpose for which it is to be used or which is necessary to make the statements in it concerning the Company, its officers and members, the System, the Master Note, the Master Note Indenture, the Mortgage or the Project not misleading in any material respect;
- (viii) failure to properly register or otherwise qualify the sale of the Master Note or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Master Note could be sold;
- (ix) the carrying out by the Company of any of the transactions contemplated by this Agreement and the other Financing Documents; and
- (x) any federal or state tax audit relating to the Master Trust Bonds issued by the Authority to refinance or purchase the Loan, or relating to the Project, the Company or the application of the proceeds of the Loan except to the extent caused by the Authority's or DNR's intentional misconduct or gross negligence.

(b) The Company also will, at its expense, pay, and indemnify and save DNR, the Authority and the Paying Agent and their respective members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses (including disbursements and court costs, including those for post-judgment and appellate proceedings) and liabilities incurred by them or by the Company in any action or proceeding brought by reason of any such claim, demand, expense, penalty, fine or tax brought or imposed pursuant to subsection (a). In the event that any action or proceeding is brought against DNR, the Authority or the Paying Agent or their respective current, former and future members, directors, officers, employees or agents by reason of any such claim or demand, the Company, upon notice from DNR, the Authority or the Paying Agent, covenants to resist and defend such action or proceeding on

demand of DNR, the Authority or the Paying Agent or their respective current, former and future members, directors, officers, employees or agents. Notwithstanding the foregoing, neither DNR, the Authority nor the Paying Agent nor their respective members, directors, officers, employees and agents shall be indemnified against liability for damage arising out of bodily injury to persons or damage to property caused by their own willful and malicious acts or omissions or willful and malicious acts or omissions of their own members, directors, officers, agents or employees.

Section 5A.7 Mortgage and Security Interest under the Master Note Indenture.

(a) The Company has good and marketable title to the Mortgaged Property, free and clear of all mortgages, liens, security interests, charges and encumbrances except Permitted Encumbrances, and there exists no mortgage, lien, security interest, charge or encumbrance (including, without limitation, any mechanic's lien or judgment lien), except the Senior Indenture, on such Property that has or will have a material adverse effect upon the Company's operations or the performance of the Company's obligations under this Agreement.

(b) To secure the payment of the Loan and the performance of the duties and obligations of the Company under this Agreement, the Company has, pursuant to the Master Note Indenture, issued the Master Note and conveyed to the Master Note Trustee, and its successors and assigns, on behalf of the Owner, a valid lien and security interest in the Trust Estate (as defined in the Master Note Indenture) subject to Permitted Encumbrances including, but not limited to, a valid mortgage lien and security interest in the Mortgaged Property pursuant to the Mortgage. The Company is lawfully possessed of all of the Mortgaged Property and is the owner thereof as aforesaid free and clear of all mortgages, liens, security interests, charges or encumbrances whatever except Permitted Encumbrances and the interest of the Master Note Trustee, on behalf the Owner and the owners of other master indenture notes secured thereby under the Master Note Indenture. The Company has full power and authority to provide the lien and security interest in the Trust Estate to the Master Note Trustee pursuant to the Master Note Indenture and the Mortgage.

(c) The Company shall take all necessary action to maintain and preserve the lien on and security interest in the Mortgaged Property granted by the Mortgage so long as the Master Note is Outstanding. The Company shall cause the Mortgage and any financing statements and continuation statements covering security interests in the Trust Estate (as defined in the Master Note Indenture) to be promptly filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such lien and security interest and to preserve and protect the rights of the Owner. The Company covenants to take all actions reasonably necessary to assist DNR, as Owner of the Master Note, to enforce its rights under the Master Note Indenture and the Mortgage.

(d) Except to the extent it is exempt therefrom, the Company shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Master Note Indenture, the Mortgage and such other instruments of perfection. The Company hereby makes, constitutes and irrevocably appoints the Master Note Trustee as its attorney-in-fact and in its name, place and stead to execute and file such necessary documents required to comply with this Section.

(e) Notwithstanding the lien and security interest granted pursuant to the Master Note Indenture and the Mortgage, it is understood and agreed that so long as the Company makes when due and payable all Loan Payments and all Additional Payments required by this Agreement and the other Financing Documents the Company shall be entitled to utilize the Mortgaged Property for its proper corporate purposes.

(f) Notwithstanding any provision of the Master Note Indenture or the Mortgage to the contrary, so long as the Master Note is Outstanding, the Company shall not release any of the Mortgaged Property subject to the lien and security interest of the Master Note Indenture or the Mortgage without the prior written consent of DNR.

ARTICLE VI

ASSIGNMENTS

Section 6.1 Assignment by DNR. The Company acknowledges that DNR may assign the Master Note and its right, title and interest in this Agreement, in whole or in part, including the right to receive Master Note Payments from the Company, to the Authority or a bond trustee under the SRF Leveraged Program, to secure Master Trust Bonds or otherwise.

Section 6.2 Assignment by the Company. The Company may sell, lease, mortgage or otherwise dispose of the Project or any material part with an original value greater than \$5,000 if it is replaced by other similar property of at least equal value or, if it ceases to be necessary for the efficient operation of the Project or the System, with the prior written consent of DNR. In the event of sale, lease, mortgage or other disposition of the Project to a municipality, a county, a public sewer district, a public water supply district, a political subdivision of the State, an instrumentality of the State, or a combination of the same, the Company will apply the proceeds to either (i) the redemption of the Master Note in accordance with the provisions governing redemption of the Master Note in advance of maturity, or (ii) replacement of the property sold, leased, mortgaged or disposed of by other property the revenues of which are incorporated into the System. In the event of sale, lease or other disposition of the Project to any other entity, the Company will provide for the full redemption of the Master Note (regardless of the amount of the disposition proceeds). If the Master Note is required to be redeemed as provided above, the proceeds of the sale, lease, mortgage or other disposition will be deposited into a separate escrow account to be established by the Company with the Paying Agent or as otherwise directed in writing by DNR. The Company may cease to operate, abandon or otherwise dispose of any property that has become obsolete, unproductive or otherwise unusable to the advantage of the Company.

ARTICLE VII

EVENTS OF DEFAULTS AND REMEDIES

Section 7.1 Events of Default. Any of the following events will be an “Event of Default” under this Agreement:

(a) failure by the Company to pay, or cause to be paid, any Loan Payment required to be paid when due and continuance of such default for a period of 10 days;

(b) failure by the Company to observe and perform any agreement under this Agreement, the Master Note Indenture or the Master Note, other than as referred to in paragraph (a) above, and the continuation of the failure for a period of 60 days after written notice is given to the Company pursuant to Section 7.2. If the failure stated in the notice is correctable but cannot be corrected within the applicable period and corrective action is instituted and diligently pursued by the Company, DNR may not unreasonably withhold its consent to an extension to the date which is 90 days after the delivery of the original notice;

(c) any representation made by or on behalf of the Company in this Agreement or any other Financing Document, or in any instrument furnished in compliance with or with reference to this Agreement, is false or misleading in any material respect, and the continuation of such breach or default for a period of 60 days after written notice is given to the Company pursuant to Section 7.2. If the failure stated in the notice is correctable but cannot be corrected within the applicable period and corrective action is instituted and diligently pursued by the Company, DNR may not unreasonably withhold its consent to an extension to the date which is 90 days after the delivery of the original notice;

(d) the Company defaults in the payment of the principal of, premium, if any, or interest on any Indebtedness when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided, however, that such default shall not constitute an Event of Default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Company in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness; and provided, further however, a payment default thereunder shall not constitute an Event of Default unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds \$75,000,000;

(e) appointment of a trustee, custodian or receiver for the Company or for the major part of its Property and failure to obtain discharge of such within 90 days after such appointment;

(f) institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors by or against the Company (other than bankruptcy proceedings instituted by the Company against third parties), and, if instituted against the Company, allowance against the Company or the Company consents to such proceedings or fails to obtain dismissal, stay or other nullification within 90 days after such institution;

(g) an event of default as defined under the Master Note Indenture has occurred and such default has not been waived or cured; or

(h) an event of default as defined under the Senior Indenture has occurred and has not been waived or cured within the time frames set forth under the Senior Indenture and the Senior Trustee has initiated proceedings to protect and enforce its rights thereunder.

Section 7.2 Notice of Default. The Company will give DNR, the Paying Agent and the Master Note Trustee prompt telephonic notice of the occurrence of any Event of Default referred to in Section 7.1(d) through (g) or the occurrence of any other event or condition which, with the passage of time or the giving of notice, would constitute an Event of Default. Telephonic notice will be immediately followed by written notice of the Event of Default. Notice of default given to the Company will specify the event or condition, state that the event or condition constitutes an Event of Default if not remedied, and request that the event or condition be remedied. Except as provided in the first sentence of this Section, notice will be given in the manner provided in Section 8.5.

Section 7.3 Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default under this Agreement, DNR shall have the following rights and remedies, in addition to any other remedies herein or by law provided DNR may, with or without entry, personally or by attorney, in its discretion without notice or demand (i) proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Master Note, the Master Note Indenture, the Mortgage or this Agreement, or in aid of the execution of any power herein or therein granted, or for any foreclosure, or for the enforcement of any other appropriate legal or equitable remedy, as DNR shall deem effectual to protect and enforce any of its rights or duties hereunder or thereunder, (ii) take all actions necessary or appropriate to cause the Master Note Trustee to exercise the rights and powers set forth in the Master Note Indenture and the Mortgage or (iii) avail itself of all other rights or remedies available to it.

(b) If DNR exercises any of its rights under this Article, it will give notice of such exercise to the Company and the Master Note Trustee, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this Article.

Section 7.4 Attorneys' Fees and Other Expenses.

(a) Upon (i) an Event of Default or (ii) the occurrence and continuance of any event which, with the giving of notice or lapse of time or both, would constitute an Event of Default, the Company, on demand, will pay to DNR and the Paying Agent the reasonable fees and expenses of attorneys and other reasonable costs and expenses (including the reasonably allocated costs of in-house counsel and legal staff) incurred by DNR and the Paying Agent in the collection of Loan Payments and Additional Payments or the enforcement of any agreements of the Company.

(b) Prior to incurring any fees, costs and expenses, DNR and the Paying Agent will provide written notice to the Company that it intends to incur fees, costs and expenses. Failure by DNR and the Paying Agent to give the notice will not affect DNR's or the Paying Agent's right to receive payment for attorney's fees and expenses under this Section 7.4. Upon request by the Company, DNR and the Paying Agent will provide the Company with copies of statements evidencing the fees, costs and expenses for which DNR and the Paying Agent is requesting payment. The statements may be edited to maintain the attorney-client privilege.

Section 7.5 Application of Moneys. Any moneys collected by DNR under Section 7.3 will be applied first, to pay interest on the Master Note then due and payable, second, to pay principal on the Master Note then due and payable, third, to pay the fees, costs and expenses owed by the Company under Section 7.4, and fourth, to pay any other amounts due and payable under this Agreement.

Section 7.6 No Remedy Exclusive; Waiver; Notice. No remedy conferred upon or reserved to DNR or the Paying Agent is intended to be exclusive and every remedy is cumulative and in addition to every other remedy given under this Agreement or existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default will impair any right, remedy or power or will be construed as a waiver. Any right, remedy or power may be exercised from time to time and as often as may be deemed expedient. DNR and the Paying Agent are not required to give notice to the Company in advance of the exercise of any right, remedy or power reserved to them in this Article, except as expressly provided in this Article.

Section 7.7 Retention of Rights. Notwithstanding any assignment or transfer of this Agreement, or anything else to the contrary in this Agreement, DNR will have the right upon the occurrence of an Event of Default to take any action, including bringing an action against the Company at law or in

equity, as DNR may, in its discretion, deem necessary to enforce the obligations of the Company to DNR pursuant to this Agreement.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Continuing Disclosure.

(a) For purposes of this Section 8.1, the following terms have the following meanings, in addition to capitalized terms defined elsewhere in this Agreement:

“Beneficial Owner” means any registered owner of Master Trust Bonds and any other person who, directly or indirectly, has the investment power with respect to any Master Trust Bonds.

“Dissemination Agent” means the Master Trustee.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures, which can be accessed at www.emma.msrb.org.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided, however, the term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Material Participant” means, subject to Section 8.1(d), the Company if it has been provided written notice by the Authority or the Master Trustee that it has outstanding bonds purchased with proceeds of Master Trust Bonds and/or assigned by DNR to secure Master Trust Bonds outstanding in the aggregate principal amount equal to 10% or more of the aggregate principal amount of all Master Trust Bonds outstanding as of December 1 of each year or to be outstanding upon the issuance of a series of Master Trust Bonds.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) If the Company is notified by the Authority or the Master Trustee that the Company is a Material Participant, the Company will comply with the provisions of this Section 8.1.

(i) The Material Participant will furnish to the Master Trustee (or provide written confirmation to the Master Trustee that such information has been filed with the MSRB, through EMMA):

(A) within 30 days after notification that it is a Material Participant, a copy of its most recent financial statements prepared in accordance with accounting principles generally accepted in the United States of America and audited by its independent auditors, and the operating data of the Material Participant, through the previous fiscal year, in substantially the scope and form contained in an appendix to the official statement with respect to a series of Master Trust Bonds; and

(B) within 270 days after the close of the fiscal year of the Material Participant following notification that it is a Material Participant and each subsequent fiscal year, a copy of the financial statements of the Material Participant prepared in accordance with accounting principles generally accepted in the United States of America and audited by its independent auditors (or if not available as of that date, the unaudited financial statements of the Material Participant and, as soon thereafter as available, the audited financial statements of the Material Participant), and the operating data of the Material Participant, updated for the fiscal year then ended, in substantially the scope and form contained in an appendix to the official statement with respect to a series of Master Trust Bonds.

(ii) Any of the financial information or operating data required by this paragraph (b) may be incorporated by reference from other documents, including official statements of the Material Participant's debt issues that have been filed with the MSRB, through EMMA, or the Securities and Exchange Commission, and in the case of a final official statement, that is available from the MSRB. The Material Participant will clearly identify in each annual report submitted to the Master Trustee each document incorporated by reference and the source from which it is available.

(c) No later than 10 Business Days after the occurrence of any of the following events, the Material Participant will disseminate to the Master Trustee and the Authority notice of the occurrence of any of the following events with respect to the Bonds or the System ("Material Events") (or provide written confirmation to the Master Trustee and the Authority that such information has been filed with the MSRB, through EMMA):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Master Note, or other material events affecting the tax status of the Master Note or Master Trust Bonds, proceeds of which have been allocated to the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Master Note, if material;
- (11) rating changes;

- (12) bankruptcy, insolvency, receivership or similar event of the Material Participant;
- (13) the consummation of a merger, consolidation, or acquisition involving the System or the sale of all or substantially all of the assets of the System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional paying agent or the change of name of the paying agent, if material;
- (15) incurrence of a Financial Obligation of the Material Participant, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Material Participant, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Material Participant, any of which reflect financial difficulties.

(d) The Material Participant's obligations under paragraphs (b) and (c) of this Agreement, will terminate (i) upon the Material Participant's receipt of a notification from the Authority or the Master Trustee that the Material Participant is no longer a Material Participant or (ii) automatically upon payment in full of all obligations of the Company purchased with proceeds of Master Trust Bonds and/or assigned by DNR to secure Master Trust Bonds.

(e) The sole remedies for a failure to comply with the provisions of this Section 8.1 are specific enforcement or action in mandamus in a court of equity by any Beneficial Owner. Failure of the Company to comply with the provisions of this Section 8.1 will not be an Event of Default under this Agreement.

(f) Nothing in this Section prevents the Material Participant from disseminating any additional information, or including any other information in any report or notice made under this Section, in addition to that required by this Section. If the Material Participant chooses to include any information in any report or notice made under this Section in addition to that which is specifically required by this Section, the Material Participant will have no obligation to update the additional information or include it in any future report or notice.

(g) The Company agrees to cooperate and covenants take all reasonable actions necessary to assist the Authority and DNR, their financial advisors, underwriters and counsel in the preparation of official statements, private placement memorandum or other disclosure documents and all other documents necessary to market and sell Master Trust Bonds.

Section 8.2 Effect of Breach. Failure on the part of DNR in any instance or under any circumstances to observe or fully perform any obligation assumed by or imposed upon it by this Agreement or by law will not make DNR liable in damages to the Company or relieve the Company from making any payment to DNR or fully performing any other agreement under this Agreement. The Company may have and pursue any other remedies provided by law for compelling performance by DNR of any agreement of DNR.

Section 8.3 Termination of Agreement. This Agreement will terminate upon the payment in full of the Master Note and the transfer of balances as set forth in Section 4.2.

Section 8.4 Notices. All notices, filings and other communications will be given by first class mail, postage pre-paid, or sent by telegram, telecopy or telex or other similar communication or delivered by a reputable private courier or overnight delivery service, addressed as follows; provided, however, that notice to the Paying Agent shall be effective only upon receipt:

Company:

Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
Attention: General Counsel

DNR:

General

Missouri Department of Natural Resources
Water Protection Program
P.O. Box 176 (Zip Code 65102)
1101 Riverside Drive
Jefferson City, Missouri 65101
Attention: Director, Financial Assistance Center

For Requisitions:

Missouri Department of Natural Resources
Water Protection Program
P.O. Box 176 (Zip Code 65102)
1101 Riverside Drive
Jefferson City, Missouri 65101
Attention: Financial Assistance Center

Paying Agent:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Department

Master Note Trustee:

U.S. Bank Trust Company, National Association
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Philadelphia, Pennsylvania 19102
Attention: Corporate Trust Services

Each party may change its address by giving written notice of the new address to the other parties.

Section 8.5 Exculpatory Provision. In exercising powers under this Agreement, the Paying Agent, the Company and DNR and their members, directors, officers, employees and agents will not be liable to any other party to this Agreement (a) for any actions taken or omitted by it or its members, officers, directors, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (b) for any claims based on this Agreement against any member, director, officer, employee or agent of the Paying Agent, the Company or DNR in his or her individual capacity.

Section 8.6 Amendment. This Agreement may be amended or supplemented by a written instrument executed by the parties, subject to the requirements of the Federal Act and regulatory authority of EPA that The Water and Wastewater Loan Fund be operated in a manner that preserves The Water and Wastewater Loan Fund in perpetuity for its designated purposes and to provide necessary and ongoing assistance to communities to attain and maintain compliance with the Federal Act.

Section 8.7 Electronic Transactions. The transactions described in this Agreement may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 8.8 Severability of Invalid Provisions. If any agreement provided in this Agreement is contrary to law, that agreement will be severable from the remaining agreements and will not affect the validity of the other provisions of this Agreement.

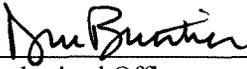
Section 8.9 Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which will be regarded for all purposes as one original and constitute one and the same instrument.

Section 8.10 Applicable Law. This Agreement will be governed exclusively by the laws of the State.

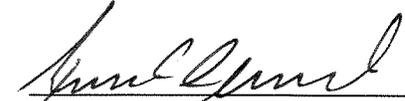
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IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers or signatories and dated as of the day and year first above written.

MISSOURI DEPARTMENT
OF NATURAL RESOURCES

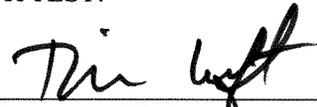
By: 
Authorized Officer

MISSOURI-AMERICAN WATER COMPANY



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

Taxpayer Identification No.: 44-0578406

EXHIBIT A
FORM OF REQUISITION

REIMBURSEMENT FORM SRF DIRECT LOAN				
1. TYPE OF REQUEST: ____ PARTIAL ____ FINAL		3. PAYMENT REQUEST NUMBER: _____ PAGE 1 OF _____		
2. PROJECT NUMBER: DW291375-01		4. PERIOD COVERED BY THIS REPORT: FROM: _____ TO: _____		
5. RECIPIENT ORGANIZATION: MISSOURI AMERICAN WATER COMPANY 727 CRAIG RD ST LOUIS, MO 63141		6. LOAN TRUSTEE: UMB BANK, NA DW291375-01 IN TRUST FOR MISSOURI AMERICAN WATER COMPANY 2 S. BROADWAY, SUITE 600 ST. LOUIS, MO 63102		
7. ELIGIBLE PROJECT COSTS INCURRED (EXCLUDING RETAINAGE) Recipient Project Name and Number Show construction, engineering, administrative costs, etc.		Current Period	Cumulative	
		Office Use Only		
A.				
B.				
C.				
D.				
E.				
F.				
G.				
H.				
I.				
J.				
K.				
L.				
Z. Total from continuation sheet (lines 7.M. - 7.Y.)				
AA. Eligible costs incurred to date				
FOR OFFICE USE ONLY	BB. TOTAL APPROVED ELIGIBLE COSTS TO DATE:		BB.	
	CC. LESS AMOUNT PREVIOUSLY APPROVED:		CC.	
	DD. AMOUNT PAYABLE TO RECIPIENT (ACTUAL REIMBURSEMENT AMOUNT):		DD.	
8. CERTIFICATION: By signing this reimbursement form, I certify that to the best of my knowledge and belief: 1) Billed costs or disbursements are in accordance with the terms of the project; 2) Payment due represents the amount due which has not been previously requested; 3) An inspection has been performed; and 4) All work is in accordance with the terms of the funding agreement.	RECIPIENT:	SIGNATURE OF AUTHORIZED REPRESENTATIVE:		
			DATE SIGNED:	PHONE NUMBER:
			TYPED OR PRINTED NAME:	
		DNR REVIEWER: Office Use Only	SIGNATURE OF REVIEW OFFICIAL:	
			DATE SIGNED:	
			TYPED OR PRINTED NAME AND TITLE:	
	DNR-WPP-FAC, SRF			

**MISSOURI DEPARTMENT OF NATURAL RESOURCES, WATER PROTECTION PROGRAM, FAC
REIMBURSEMENT FORM
SRF DIRECT LOAN
CONTINUATION PAGE**

PAGE _____ OF _____

2. PROJECT NUMBER: DW291375-01		4. PERIOD COVERED BY THIS REPORT: FROM: _____ TO: _____	
5. RECIPIENT ORGANIZATION: MISSOURI AMERICAN WATER COMPANY 727 CRAIG RD ST LOUIS, MO 63141		6. LOAN TRUSTEE: UMB BANK, NA IN TRUST FOR MISSOURI AMERICAN WAT DW291375-01 2 S. BROADWAY, SUITE 600 ST. LOUIS, MO 63102	
7. ELIGIBLE PROJECT COSTS INCURRED (EXCLUDING RETAINAGE) Recipient Project Number and Name Show construction, engineering, administrative costs, etc.	Current Period	Cumulative	Office Use Only
	M.		
N.			
O.			
P.			
Q.			
R.			
S.			
T.			
U.			
V.			
W.			
X.			
Y.			
DNR-WPP-FAC, SRF			

EXHIBIT B

FEDERAL REQUIREMENTS¹

Federal Requirements

- Federal Funding and Accountability and Transparency Act (FFATA): Federal Law - Federal Funding Accountability and Transparency Act enacted 2010.
- Davis-Bacon Act: Act of 1931 applied in 1987-1994, made permanent by the Water Resources Reform and Development Act (WRRDA) of 2014.
- American Iron & Steel.
- Architectural and Engineering Procurement.
- Cost & Effectiveness, Water Resources Reform and Development Act (WRRDA) of 2014: Applies to Clean Water SRF projects only.
- U.S. Environmental Protection Agency Guidance for Enhancing Public Awareness of State Revolving Fund Assistance Agreements (15-02) in 2015.
- Water Systems Assessment, Safe Drinking Water Act Amendments in 2017 Water Infrastructure Improvements for the Nation Act (WIIN): Applies to Drinking Water SRF only.
- Single Audit Act of 1984; Federal Regulation: Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments, State or local government (loan recipients) that expend more than \$750,000 of federal funds in a year must complete an organization-wide audit within nine months of the end of the fiscal year.
- Disadvantaged Business Enterprise (DBE), Carried over from the Construction Grants Program U.S. Environmental Protection Agency (40 Congressional Federal Registry Parts 30, 31, 33, 35 and 40).
- National Environmental Policy Act (NEPA) of 1970.
- National Defense Authorization Act, Section 889, Pub. L. 115-232 implemented by 2 CFR 200.216: Prohibits use of federal funds for certain telecommunications and video surveillance services or equipment.

“Super” Cross-Cutters

- Civil Rights Act of 1964, Title VI: Pub. L. 88-352: Prohibits racial discrimination.
- Federal Water Pollution Control Act, 1972 Amendments, Section 13: Pub. L. 92-500: Prohibits discrimination on the basis of sex, racial, or other discrimination in implementing the law.
- Rehabilitation Act of 1973, Section 504: Pub. L. 93-112: Prohibits discrimination against a qualified individual with a physical or mental disability who is otherwise qualified and can perform essential job functions.
- Age Discrimination Act of 1975: Prohibits discrimination based on age.

Environmental Cross Cutters

- Clean Water Act, Titles III, IV and V: Pub. L. 92-500, as amended: Regulates discharges of pollutants into the waters of the United States
- Safe Drinking Water Act: Pub L. 93-523, as amended: Protects public drinking water supplies
- Endangered Species Act: Pub. L. 93-205, as amended: Protects and recovers imperiled species and the ecosystems upon which they depend.
- Fish and Wildlife Coordination Act: Pub. L. 85-624, as amended: Protects fish and wildlife when federal actions result in the control or modification of a natural stream or body of water.
- Magnuson-Stevens Act – Essential Fish Habitat: Pub. L. 94-265: Fosters long-term biological and economic sustainability of our nation's marine fisheries out to 200 nautical miles from shore.

¹ As of November 2020

- Coastal Zone Management Act: Pub. L. 92-583, as amended: Preserve, protect, develop, and where possible, to restore or enhance the resources of the nation's coastal zone.
- Coastal Barrier Resources Act: Pub. L. 97-348: Protects coastal areas that serve as barriers against wind and tidal forces caused by coastal storms, and serve as habitat for aquatic species.
- Wild and Scenic Rivers Act: Pub. L. 90-54: Preserves certain rivers with outstanding natural, cultural, and recreational values in a free-flowing condition.
- Protection of Wetlands Executive Order: Executive Order 11990 as amended by Executive Order 12608: Avoids the long and short-term adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands wherever there is a practicable alternative.
- Clean Air Act: Pub. L. 95-95, as amended: Controls air pollution.
- Migratory Bird Act: 16 U.S. Code § 703: Protects migratory birds
- Floodplain Management, Executive Order 11988, Improve the nation's resilience to flooding and prepare the nation for the impacts of climate change.
- Farmland Protection Policy Act: Pub. L. 97-98: Federal programs are administered to be compatible with programs and policies to protect to protect
- National Historic Preservation Act: Pub. L. 89-655, as amended: Supports historic preservation activities and programs, and includes Section 106, which requires State Tribal and Local Historic Preservation programs be provided the opportunity to comment on undertakings that have an effect on a historic property.
- Archeological and Historic Preservation Act, Pub. L. 93-291, as amended: Provides for the preservation of historical and archeological data (including relics and specimens) which might otherwise be irreparably lost or destroyed as the result of alteration of terrain caused as a result of a federal construction project.
- Environmental Justice Executive Order: Executive Order 12898: Focuses federal attention on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities.

Economic and Other Cross Cutters

- Demonstration Cities and Metropolitan Development Act: Pub. L. 89 -754, as amended and Executive Order 12372: Promotes planning that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons.
- Procurement Prohibition under Clean Air Act and Clean Water Act: Prohibition of Clean Water Act or Clean Air Act with respect to federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, and Executive Order 11738: Federal procurement or procurement with federal grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act.
- Uniform relocation and Real Property Acquisition Policies Act: Pub. L. 91-646, as amended, and 42 U.S.C. § 4601 et seq.: Ensures fair treatment of those displaced by federally funded programs, federally assisted programs or state and local agencies receiving federal funds.
- Drug-Free Workplace Act: Pub. L. 100-690: As a recipient organization, the Department must make an ongoing, good faith effort to maintain a drug-free workplace and identify all known workplaces under its federal awards and maintain records pursuant to Title 2 CFR Part 1536 Subpart B.
- Debarment and Suspension Executive Order 12549: A person who is debarred or suspended is excluded from activities involving federal financial assistance.
- Preservation of Open Competition / Neutrality to Labor Relations on Federal Funded Projects: Executive Order 13202 and 13208: Promotes open competition on Federal and federally funded or assisted construction projects.

- New Restrictions on Lobbying, Section 319 of Pub. L. 101-121: Recipients of federal grants, cooperative agreements, contracts, and loans are prohibited from using federal funds for lobbying.

EXHIBIT C

INITIAL FORM OF ANNUAL COMPLIANCE CHECKLIST

Name of bond ("Bond"):	Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A
Name of Corporate Entity:	Missouri-American Water Company
Issue Date:	
Name of Company Bond	
Compliance Officer:	
Email address:	
Telephone number:	
Period covered by request ("Annual Period"):	

The Project financed with the proceeds of the above-referenced bond will be/has been refinanced with a tax-exempt private activity bond issued by the Environmental Improvement and Energy Resources Authority of the State of Missouri (the "Authority"). There are a number of covenants in the financing documents that must be complied with and there are a number of legal and document provisions restricting how the Project can be used. The Authority requires the Company's cooperation to accurately monitor continuing compliance with federal tax laws. Please return your completed questionnaire to the Authority as follows:

Environmental Improvement and Energy Resources Authority
P.O. Box 744
Jefferson City, Missouri 65102
Attention: Executive Director

The questionnaire must be received by January 1 of each year.

Project Description:

"Project" means the acquisition, construction, improvement and equipping of drinking water facilities of the Company further described as follows:

Clearwell and High Service Pump Station Replacement. The Project will replace the existing 0.88 million-gallon ("MG") clearwell and high service pumps with a new below-grade clearwell and high service pumping facility. The new facility will include a partially below-grade storage basin with 1.0 MG of usable storage, providing for operational redundancy and flexibility. An additional 162,000 gallons of storage will be provided for future filter backwash supply. New high service pumps with a firm capacity of 7.5 million gallons per day ("MGD") and space for two future backwash pumps with an estimated capacity of 5.0 MGD will be provided. These new pumps will be integral to the new clearwell and discharge to a new finished water pipeline that will be connected to the distribution system. The existing clearwell will be demolished once the new clearwell is placed into service. Electrical improvements include a new reinforced concrete duct bank, a new generator, automatic transfer switch and transformer pad, and new electrical switch gear sized to re-feed the entire site. The Project also includes all changes needed to complete the Project agreed to in writing by the Company and DNR.

Item	Question	Response
1 Water Facility	Was the Project operated as a "Water Facility" (as defined in the Loan Agreement) during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the Annual Period, did the Water Facility furnish at least 25% of the water output to members of the general public?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the Annual Period, was the Project operated by the Company?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	During the annual period, were the rates charged for the furnishing or sale of water established or approved by a state or political subdivision thereof, by an agency or instrumentality of the United States, or by a public service or public utility commission or other similar body of any state or political subdivision?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If answer above was "No" to any question, contact Bond Counsel and include description of resolution in the records maintained for the Bond.</i>	

2 Ownership	Was the entire Project owned by the Company during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "No": Was the Project (or any portion) sold or otherwise disposed of solely because it was determined that the property was inadequate, obsolete or worn out? (If "Yes" with respect to all such property, go to Item 2.)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<i>If "No": What is the legal name of the New Owner?</i>	
	What is the date the New Owner acquired the Project or portion of the Project?	

3 Use of Proceeds	Have copies of all contracts entered into for the construction, renovation or purchase of the Project been retained?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has documentation of the expenditure of Bond proceeds and other funds, if any, for the Project been retained? (i.e., invoices, bills, draw requests, requisitions, etc.)	<input type="checkbox"/> Yes <input type="checkbox"/> No

Signature, Name and Title of Person Completing Questionnaire:

Printed Name: _____
 Title: _____
 Date Completed: _____

EXHIBIT D
AUTHORITY'S TAX COMPLIANCE PROCEDURE

STATE ENVIRONMENTAL IMPROVEMENT AND
ENERGY RESOURCES AUTHORITY

STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE

Dated as of July 25, 2013

July 25, 2013

STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE

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- Exhibit B – Sample Annual Compliance Checklist (Authority)
- Exhibit C – Sample Annual Compliance Checklist (Participant)

STATE REVOLVING FUNDS PROGRAMS
TAX COMPLIANCE PROCEDURE

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized words and terms used in this Compliance Procedure have the following meanings:

“**Authority Annual Compliance Checklist**” means a questionnaire and/or checklist described in Section 6.2 and in the form attached as Exhibit B, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, to be completed each year by the Bond Compliance Officer.

“**Authority**” means the State Environmental Improvement and Energy Resources Authority, a body corporate and politic and a governmental instrumentality of the State of Missouri.

“**Bond Compliance Officer**” means the Authority’s Deputy Director or, if the position of Deputy Director is vacant, the person filling the responsibilities of the Deputy Director for the Authority.

“**Bond Counsel**” means a law firm selected by the Authority to provide a legal opinion regarding the tax status of interest on the Tax-Exempt Bonds as of the issue date or the law firm selected to advise the Authority on matters referenced in this Compliance Procedure.

“**Bond Restricted Funds**” means the funds, accounts, and investments that are subject to arbitrage rebate and/or yield restriction rules that have been identified in the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Bond Transcript**” means the “transcript of proceedings” or other similarly titled set of transaction documents assembled by Bond Counsel following the issuance of the Tax-Exempt Bonds.

“**Clean Water Commission**” means the Clean Water Commission of the State of Missouri.

“**Clean Water Loan**” means a loan made to Clean Water Participants pursuant to the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“**Clean Water Participant**” means a Missouri governmental entity that participates in the Clean Water SRF Direct Loan Program or the Clean Water SRF Leveraged Loan Program.

“**Clean Water SRF Direct Loan Program**” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“**Clean Water SRF Leveraged Loan Program**” means the Missouri Leveraged State Clean Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Clean Water Commission to provide financial assistance to Clean Water Participants to finance publicly owned wastewater treatment and sanitary sewerage facilities.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Compliance Procedure**” means this State Revolving Funds Programs Tax Compliance Procedure.

“**Cost**” or “**Costs**” means all costs and expenses paid for the acquisition, design, construction, equipping or improvement of a Financed Facility or costs of issuing Tax-Exempt Bonds for a Financed Facility.

“**DNR**” means the Missouri Department of Natural Resources, a department of the State of Missouri.

“**Drinking Water Commission**” means the Safe Drinking Water Commission of the State of Missouri.

“**Drinking Water Loan**” means a loan made to a Drinking Water Participant pursuant to the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“**Drinking Water Participant**” means a Missouri governmental entity or nonprofit corporation that participates in the Drinking Water SRF Direct Loan Program or the Drinking Water SRF Leveraged Loan Program.

“**Drinking Water SRF Direct Loan Program**” means DNR’s State of Missouri Direct Loan Program created in cooperation with the Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“**Drinking Water SRF Leveraged Loan Program**” means the Missouri Leveraged State Drinking Water Revolving Fund Program created by cooperative agreement among the Authority, DNR and the Safe Drinking Water Commission to provide financial assistance to Drinking Water Participants to finance publicly and privately owned drinking water treatment facilities.

“**Final Written Allocation**” means the Final Written Allocation of Tax-Exempt Bond proceeds pursuant to Section 7.4 or of Participant Loan proceeds pursuant to Section 5.3.

“**Financed Facility**” means that part of a Project Facility treated as financed with proceeds of a Participant Loan as reflected in a Final Written Allocation or, if no Final Written Allocation was prepared, the accounting records of the Trustee, the Authority or the Participant, as the case may be, and the Tax Compliance Agreement for the Tax-Exempt Bonds.

“**Intent Resolution**” means a resolution of the Authority or the Participant stating (1) the intent of the Authority or the Participant to finance all or a portion of the Project Facility, (2) the expected maximum size of the financing, and (3) the intent of the Authority or Participant to reimburse Costs of the Project Facility paid by the Authority or the Participant from proceeds of a Tax-Exempt Bond.

“**IRS**” means the Internal Revenue Service.

“**Participant**” means a Clean Water Participant or a Drinking Water Participant.

“**Participant Annual Compliance Checklist**” means a questionnaire and/or checklist described in Section 5.4 and in the form attached as Exhibit C, or any replacement form as requested by Bond Counsel and approved by the Bond Compliance Officer, which is completed each year by a Participant.

“Participant Bond Compliance Officer” means the individual officer or employee of the Participant named as the primary individual responsible for post-issuance tax compliance by the Participant in connection with its Participant Loan.

“Participant Closing Certificate” means the closing certificate executed by the Participant in connection with the closing of the Participant Loan.

“Participant Loan” means a Clean Water Loan or a Drinking Water Loan.

“Placed In Service” means the date when the Project Facility is substantially complete and in operation at substantially its design level, as determined by the Participant Bond Compliance Officer or, in the absence of appropriate action by the Participant Bond Compliance Officer, by [DNR][the Bond Compliance Officer in consultation with DNR].

“Project Facility” means all tangible or intangible property financed in whole or in part with proceeds of a Participant Loan that are (1) functionally related or integrated in use, (2) located on the same physical site or proximate sites, and (3) expected to be Placed In Service within a one-year period of each other.

“Rebate Analyst” means the rebate analyst for the Tax-Exempt Bonds selected pursuant to the Tax Compliance Agreement.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the provisions of Code §§ 103 and 141 through 150 and applicable to tax-exempt obligations.

“Requisition” means a Clean Water Reimbursement Form or Drinking Water Reimbursement Form, submitted by a Participant and approved by DNR for each disbursement of Participant Loan proceeds.

“State Revolving Funds Programs” means, collectively, the Clean Water SRF Direct Loan Program, the Clean Water SRF Leveraged Loan Program, the Drinking Water SRF Direct Loan Program and the Drinking Water SRF Leveraged Loan Program.

“Tax Compliance Agreement” means a Federal Tax Certificate, Tax Compliance Agreement, Arbitrage Agreement, or other written certification or agreement of the Authority or the Participant (including Article V or similar article of a Purchase Agreement between the Participant and DNR or Exhibit to a Participant Closing Certificate), setting out representations and covenants for satisfying the post-issuance tax compliance requirements for the Tax-Exempt Bonds.

“Tax-Exempt Bonds” means any bond, note, installment sale agreement, lease or certificate intended to be a debt obligation of the Authority, the proceeds of which are to be loaned or otherwise made available to DNR to finance Participant Loans, and the interest on which is excludable from gross income for federal income tax purposes. A list of all Tax-Exempt Bonds outstanding and subject to this Compliance Procedure as of July 1, 2013, is attached as Exhibit A.

“Tax-Exempt Bond File” means documents and records which may consist of paper and electronic medium, maintained for the Tax-Exempt Bonds. Each Tax-Exempt Bond File will include the following information if applicable:

- (a) Intent Resolution. (Duplicate Copy Maintained by Bond Compliance Officer)
- (b) Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)

- (c) For each Participant Loan, a Final Written Allocation and/or all available accounting records related to the Financed Facility showing expenditures allocated to the proceeds of the Participant Loan and expenditures (if any) allocated to other sources of funds.
- (d) All rebate and yield reduction payment calculations performed by the Rebate Analyst and all investment records provided to the Rebate Analyst for purposes of preparing the calculations.
- (e) Forms 8038-T together with proof of filing and payment of rebate. (Duplicate Copy Maintained by Bond Compliance Officer)
- (f) Investment agreement bid documents (unless included in the Bond Transcript) including:
 - (1) bid solicitation, bid responses, certificate of broker;
 - (2) written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 - (3) copies of the investment agreement and any amendments.
- (g) Any item required to be maintained by the terms of the Tax Compliance Agreement and Participant's Tax Compliance Agreement involving the use of the Financed Facility or expenditures related to tax compliance for the Tax-Exempt Bonds.
- (h) Any opinion of Bond Counsel regarding the Tax-Exempt Bonds not included in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (i) Amendments, modifications or substitute agreements to any agreement contained in the Bond Transcript. (Duplicate Copy Maintained by Bond Compliance Officer)
- (j) Any correspondence with the IRS relating to the Tax-Exempt Bonds including all correspondence relating to an audit by the IRS of the Tax-Exempt Bonds or any proceedings under the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP). (Duplicate Copy Maintained by Bond Compliance Officer)
- (k) All completed Authority Annual Compliance Checklists and Participant Annual Compliance Checklists and any other questionnaires or correspondence substantiating compliance with the post-issuance tax requirements.
- (l) For refunding bond issues, the Tax-Exempt Bond File for the refunded Tax-Exempt Bonds.

"Trustee" means the corporate trustee named in a trust indenture or other similar document included in the Bond Transcript for the Tax-Exempt Bonds or the "Paying Agent" within the meaning of the documents executed by a Participant, DNR and the Paying Agent in connection with a Participant Loan made under the Clean Water SRF Direct Loan Program or the Drinking Water SRF Direct Loan Program.

ARTICLE II

PURPOSE AND SCOPE

Section 2.1. Purpose of Compliance Procedure.

(a) Authority's Use of Tax-Exempt Bonds. The Authority issues Tax-Exempt Bonds and funds Participant Loans or makes the proceeds available to DNR to fund, or reimburse DNR for funding of, certain Participant Loans, the proceeds of which finance Costs of a Project Facility. The Authority understands that in exchange for the right to issue Tax-Exempt Bonds at favorable interest rates and terms, the Code and Regulations impose ongoing requirements related to the proceeds of the Tax-Exempt Bonds and the Financed Facility financed by the Tax-Exempt Bonds. These requirements focus on the investment,

use and expenditure of proceeds of the Tax-Exempt Bonds and related funds as well as restrictions on the use of the Project Facility.

(b) IRS Recommends Separate Written Procedures. The Authority recognizes that the IRS has stated that all issuers of Tax-Exempt Bonds should have separate written procedures regarding ongoing compliance with the federal tax requirements for Tax-Exempt Bonds.

(c) Authority Commitment. The Authority is committed to full compliance with the federal tax law requirements for all of its outstanding and future issues of Tax-Exempt Bonds. This Compliance Procedure is adopted by the Authority to comply with IRS directives and to improve federal tax law compliance and documentation. Because each Participant is primarily responsible for the expenditure and investment of proceeds of its Participant Loan and the use of its Project Facility, this Compliance Procedure provides that each Participant will assume substantially all obligations related to post-issuance compliance for its Participant Loan. The Authority will assume responsibility for annually monitoring each Participant's compliance with the post-issuance tax requirements through use of the Participant Annual Compliance Checklists. The Authority will assume responsibility for ensuring compliance with the remaining post-issuance tax requirements for all Tax-Exempt Bonds primarily consisting of compliance with the arbitrage and rebate requirements.

Section 2.2. Scope of Compliance Procedure; Conflicts. This Compliance Procedure applies to all Participant Loans, both currently outstanding and issued in the future, and all Tax-Exempt Bonds, both currently outstanding and issued in the future. If the provisions of this Compliance Procedure conflict with a Tax Compliance Agreement or any specific written instructions of Bond Counsel, the terms of the Tax Compliance Agreement or specific written instructions of Bond Counsel will supersede and govern in lieu of this Compliance Procedure. Any exception to this Compliance Procedure required by Bond Counsel as part of a future issue of Tax-Exempt Bonds will be incorporated in the Tax Compliance Agreement for the future issue. Any requirements imposed on the Authority or a Participant in the Tax Compliance Agreement will be noted by the Bond Compliance Officer and incorporated into the Authority Annual Compliance Checklist and/or the Participant Annual Compliance Checklist.

Section 2.3. Amendments and Publication of Compliance Procedure. This Compliance Procedure may be amended from time-to-time by the Authority. Copies of this Compliance Procedure and any amendments will be included in the permanent records of the Authority.

ARTICLE III

BOND COMPLIANCE OFFICER; TRAINING

Section 3.1. Bond Compliance Officer Duties. The Bond Compliance Officer is responsible for implementing this Compliance Procedure. The Bond Compliance Officer will work with the Participants through each Participant Bond Compliance Officer, DNR and the Trustee to assist in implementing this Compliance Procedure. The Bond Compliance Officer will consult with Participants, DNR, Bond Counsel, legal counsel to the Authority, accountants, tax return preparers and other outside experts to the extent necessary to carry out the purposes of this Compliance Procedure. The Bond Compliance Officer will report to the Authority as necessary, and at least annually, regarding implementation of this Compliance Procedure and any recommended changes or amendments to this Compliance Procedure.

Section 3.2. Training.

(a) Training Programs. When appropriate, the Bond Compliance Officer and/or other employees of the Authority under the direction of the Bond Compliance Officer will attend training programs offered by the IRS or other industry professionals regarding Tax-Exempt Bonds that are relevant to the Authority.

(b) Change in Bond Compliance Officer. Any time an individual acting as the Bond Compliance Officer passes the responsibilities for carrying out the provisions of this Compliance Procedure to another individual, the Authority will ensure the incoming individual acting as Bond Compliance Officer is trained on how to implement the policies and procedures included in this Compliance Procedure to ensure the Authority's continued compliance with the provisions of this Compliance Procedure and all Tax Compliance Agreements for any outstanding Tax-Exempt Bonds.

ARTICLE IV

COMPLIANCE PROCEDURE FOR PARTICIPANT LOANS CURRENTLY OUTSTANDING

Section 4.1. Participant Loans Covered by Article IV Procedures. This Article IV applies to all Participant Loans issued prior to the date of this Compliance Procedure that are currently outstanding.

Section 4.2. Participant Contact. As soon as reasonably practical the Bond Compliance Officer will send to each Participant a copy of the Participant's Tax Compliance Agreement along with a letter reminding the Participant that pursuant to the Participant's Tax Compliance Agreement the Participant is responsible for post-issuance tax compliance related to record keeping, use of Participant Loan proceeds, and use of the Financed Facility.

Section 4.3. Annual Certification From Each Participant. As soon as practical following the adoption of this Compliance Procedure, the Bond Compliance Officer will request each Participant to confirm annually in writing its compliance with the terms of the Participant's Closing Certificate for the Participant Loan through use of a Participant Annual Compliance Checklist. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant and will retain the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 4.4. Correcting Prior Deficiencies in Compliance. If a Participant informs the Bond Compliance Officer of a deficiency in compliance with Participant's Tax Compliance Agreement for an outstanding Participant Loan allocable to an outstanding Tax-Exempt Bond listed on Exhibit A, the Bond Compliance Officer will consult with Bond Counsel and, as necessary or appropriate, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Director of the Authority and obtaining the approval of the Director and/or the Authority, as deemed appropriate.

ARTICLE V

COMPLIANCE PROCEDURE FOR NEW PARTICIPANT LOANS

Section 5.1. Application. This Article V applies to Participant Loans made on or after the date of this Compliance Procedure.

Section 5.2. Prior to Issuance of Participant Loan.

(a) Intent Resolution. Prior to or as a part of the Participant Loan authorization process, the Participant may adopt an Intent Resolution. The Authority expects that Participants will usually adopt an Intent Resolution as part of their election call proceedings.

(b) Participant's Tax Compliance Agreement. For each Participant Loan, a Participant's Tax Compliance Agreement, including covenants related to the Participant's compliance with the post-issuance tax requirements, will be signed by the Participant Bond Compliance Officer or other duly authorized officer of the Participant. The Participant's Tax Compliance Agreement will (1) describe the Project Facility and the anticipated Financed Facility, (2) for new money financings, require the Participant to complete a Final Written Allocation, and (3) contain a form of the Participant Annual Compliance Checklist for the Participant Loan. The Participant Bond Compliance Officer is expected to confer with the Bond Compliance Officer and Bond Counsel or local bond counsel to the Participant regarding the meaning and scope of each representation and covenant contained in the Participant's Tax Compliance Agreement.

(c) Participant Loans; Preliminary Cost Allocations. The Participant Bond Compliance Officer in consultation with DNR, will prepare a preliminary cost allocation plan for the Project Facility to be funded from proceeds of a Participant Loan. The preliminary cost allocation plan will identify the assets and expected costs for the Project Facility, and when necessary, will break-out the portions of Costs that are expected to be financed with proceeds of the Participant Loan and the portions, if any, expected to be financed from other sources.

Section 5.3. Final Written Allocation of Participant Loan Proceeds. The Participant's Tax Compliance Agreement will include the Participant's agreement that its file of all Requisitions and supporting invoices provided to DNR with respect to the use of Participant Loan proceeds constitutes the Participant's Final Written Allocation of the application of proceeds of the Participant Loan to the Financed Facility. In addition, the Bond Compliance Officer may access DNR's compilation of Requisitions and supporting invoices to document the Participant's Final Written Allocation absent receipt of documentation from the Participant. The Participant may, with at least 60 days' prior written notice to, and the written consent of DNR, deliver a revised written reimbursement allocation to DNR if the revised allocation is accompanied by an Opinion of Bond Counsel. However, no revised reimbursement allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was Placed In Service, unless an Opinion of Bond Counsel is delivered to DNR and the Authority. For Participant Loans issued only to refund a prior Participant Loan, the Participant Bond Compliance Officer will work with the Bond Compliance Officer or Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Participant Loan and include it as an attachment to the Participant's Tax Compliance Agreement or in the Tax-Exempt Bond File.

Section 5.4. Participant Annual Compliance Checklists; Reviews.

(a) Participant Annual Compliance Checklists. The Participant Bond Compliance Officer will be responsible for assembling and maintaining the information necessary to accurately complete the Participant Annual Compliance Checklist. Each Participant Bond Compliance Officer will be required to

provide a completed Participant Annual Compliance Checklist, together with any supporting documentation, to the Director, Financial Assistance Center of DNR (and subsequently forwarded by the Director to the Bond Compliance Officer) or directly to the Authority.

(b) Review of Participant Annual Compliance Checklist. Each Participant Annual Compliance Checklist will be reviewed by legal counsel to the Participant or the Participant's local bond counsel for sufficiency and compliance with the Participant's Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Participant Bond Compliance Officer will execute the Participant's Annual Compliance Checklist.

ARTICLE VI

COMPLIANCE PROCEDURE FOR TAX-EXEMPT BONDS CURRENTLY OUTSTANDING

Section 6.1. Tax-Exempt Bonds Covered by Article VI Procedures. This Article VI applies to all Tax-Exempt Bonds issued prior to the date of this Compliance Procedure that are currently outstanding. These Tax-Exempt Bonds are listed on Exhibit A.

Section 6.2. Tax-Exempt Bond File; Annual Compliance Checklists. As soon as practical, the Bond Compliance Officer will attempt to assemble as much of the Tax-Exempt Bond File as is available for the Tax-Exempt Bonds listed on Exhibit A. As soon as practical, the Bond Compliance Officer will complete an Authority Annual Compliance Checklist for each outstanding Tax-Exempt Bond issue. The Bond Compliance Officer will use reasonable efforts to obtain a completed Participant Annual Compliance Checklist from each Participant. The Bond Compliance Officer will retain the completed Participant Annual Compliance Checklist and Authority Annual Compliance Checklist in the Tax-Exempt Bond File for the longer of the term of the Participant Loan or the Tax-Exempt Bond allocable to financing the Participant Loan (if any) plus three years.

Section 6.3. Correcting Prior Deficiencies in Compliance. In the event of a deficiency in compliance with the Tax Compliance Agreement for an outstanding Tax-Exempt Bond listed on Exhibit A, the Bond Compliance Officer will consult with Bond Counsel and, as necessary, follow the procedures described in the Regulations or the Tax-Exempt Bonds Voluntary Closing Agreement Program (VCAP) to remediate the noncompliance. If remediation of the noncompliance requires the Authority to submit a request under VCAP, the Bond Compliance Officer will undertake this step only after reporting the violation to the Authority and obtaining its approval.

ARTICLE VII

COMPLIANCE PROCEDURE FOR NEW TAX-EXEMPT BONDS

Section 7.1. Application. This Article VII applies to Tax-Exempt Bonds issued on or after the date of this Compliance Procedure.

Section 7.2. Prior to Issuance of Tax-Exempt Bonds.

(a) Intent Resolution. The Authority will authorize and approve the issuance of Tax-Exempt Bonds. Prior to or as a part of the authorizing resolution, the Authority may adopt an Intent Resolution.

(b) Directions to Bond Counsel. The Bond Compliance Officer will provide a copy of this Compliance Procedure to Bond Counsel with directions for Bond Counsel to structure the documentation and procedural steps taken prior to issuing the Tax-Exempt Bonds so that they conform to the requirements

of this Compliance Procedure, except to the extent Bond Counsel determines that different procedures are required. The Bond Compliance Officer will consult with Bond Counsel so that appropriate provisions are made to fund or reimburse the Authority's costs and expenses incurred to implement this Compliance Procedure. To the extent the Authority relies on or acts at the direction of the Participant, the Tax Compliance Agreement will contain appropriate provision for Authority indemnification by the Participant.

(c) Tax Compliance Agreement. For each Tax-Exempt Bond, the Authority will enter into a Tax Compliance Agreement including covenants related to compliance with the post-issuance tax requirements that will be signed by the Bond Compliance Officer or other duly authorized officer of the Authority. The Tax Compliance Agreement will (1) identify the Participant Loans being financed with proceeds of the Tax-Exempt Bond, (2) identify all Bond Restricted Funds and provide for arbitrage and rebate compliance, (3) for new money financings, assure each Participant is required to complete a Final Written Allocation, and (4) contain a form of the Authority Annual Compliance Checklist. The Bond Compliance Officer will review the Authority's Tax Compliance Agreement and, if deemed appropriate, confer with Bond Counsel and the Authority's counsel regarding the meaning and scope of each representation and covenant contained in the Authority's Tax Compliance Agreement.

(d) Preliminary Cost Allocations. For each Tax-Exempt Bond issuance, the Bond Compliance Officer will assure a preliminary cost allocation plan is prepared. The preliminary cost allocation plan will identify the Participant Loans or portions thereof to be financed with proceeds of the Tax-Exempt Bonds and the portions of the Participant Loans, if any, expected to be financed from other sources together with the proceeds expected to be used to finance costs of issuing or credit enhancement for the Tax-Exempt Bonds, including funding any reserve funds.

(e) Tax Review with Bond Counsel. Prior to the sale of Tax-Exempt Bonds, the Bond Compliance Officer and Bond Counsel will review this Compliance Procedure together with the draft Tax Compliance Agreement to ensure that any tax compliance issues in the new financing are adequately addressed by this Compliance Procedure and/or the Tax Compliance Agreement. If Bond Counsel determines that this Compliance Procedure conflicts with the Tax Compliance Agreement, or must be supplemented to account for special issues or requirements for the Tax-Exempt Bonds, the Bond Compliance Officer will ask Bond Counsel to include the written modifications or additions in the final Tax Compliance Agreement. The Bond Compliance Officer will request Bond Counsel to prepare a form of Authority Annual Compliance Checklist for use in monitoring the ongoing compliance requirements for the Tax-Exempt Bonds.

Section 7.3. Accounting and Recordkeeping. The Bond Compliance Officer will assure the accounting for the investment and allocation of proceeds of the Tax-Exempt Bonds is accomplished. The Bond Compliance Officer may use accounts established pursuant to a trust indenture for the Tax-Exempt Bonds to assist it in accounting for the investment and expenditure of Tax-Exempt Bonds. For Tax-Exempt Bonds that are issued to refund prior Tax-Exempt Bonds, the Tax Compliance Agreement will set out special accounting and allocation procedures for the proceeds of the financing, and if necessary proceeds of the refinanced Tax-Exempt Bonds. The Bond Compliance Officer will be responsible for assembling and maintaining the Tax-Exempt Bond File.

Section 7.4. Final Allocation of Bond Proceeds.

(a) Preparation of Final Written Allocation; Timing. The Bond Compliance Officer will assure a written allocation of Tax-Exempt Bond proceeds to Participant Loans and other expenditures is prepared. This process will be memorialized in the Final Written Allocation. For a new money financing, the Bond Compliance Officer will commence this process as of the earliest of (1) the requisition of all Participant Loan proceeds from any segregated Tax-Exempt Bond funded account, (2) the date the Project Facilities

have been substantially completed or (3) four and one-half years following the issue date of the Tax-Exempt Bonds. For Tax-Exempt Bonds issued only to refund a prior issue of Tax-Exempt Bonds, the Participant Bond Compliance Officer will work with the Participants and Bond Counsel to prepare and/or document the Final Written Allocation for the Financed Facility financed by the refunded Tax-Exempt Bonds and include it in the Tax Compliance Agreement.

(b) Contents and Procedure. The Bond Compliance Officer will consult the Tax Compliance Agreement and, if necessary, contact Bond Counsel to seek advice regarding any special allocation of Tax-Exempt Bond proceeds and other money to Participant Loans and other expenditures. If no special allocation is required or recommended, the Bond Compliance Officer will allocate proceeds of the Tax-Exempt Bonds in accordance with the Authority's accounting records. Each Final Written Allocation will contain the following: (1) a reconciliation of the actual sources and uses to fund Participant Loans, (2) the percentage of each Participant Loan financed with proceeds of the Tax-Exempt Bonds and (3) any special procedures to be followed in completing the Authority Annual Compliance Checklist.

(c) Finalize Authority Annual Compliance Checklist. As part of the preparation of the Final Written Allocation, the Bond Compliance Officer will update the draft Authority Annual Compliance Checklist contained in the relevant Tax Compliance Agreement. The Bond Compliance Officer will include reminders for all subsequent arbitrage rebate computations required for the Tax-Exempt Bonds in the Authority Annual Compliance Checklist.

(d) Review of Final Written Allocation and Authority Annual Compliance Checklist. Each Final Written Allocation and Authority Annual Compliance Checklist will be reviewed by legal counsel to the Authority or Bond Counsel for sufficiency and compliance with the Tax Compliance Agreement and this Compliance Procedure. Following the completion of the review, the Bond Compliance Officer will execute the Final Written Allocation.

ARTICLE VIII

ONGOING MONITORING PROCEDURES

Section 8.1. Annual Compliance Checklists. Participant Annual Compliance Checklists and the Authority Annual Compliance Checklist are to be completed annually. Each Participant Annual Compliance Checklist and Authority Annual Compliance Checklist will be designed and completed for the purpose of identifying potential noncompliance with the terms of the Participant's Tax Compliance Agreement, the Authority's Tax Compliance Agreement and this Compliance Procedure and obtaining documents (such as investment records, arbitrage calculations, or other documentation for the Financed Facility) that are required to be incorporated in the Tax-Exempt Bond File. The Bond Compliance Officer will refer any responses indicating a violation of the terms of the Tax Compliance Agreement to legal counsel to the Authority and Bond Counsel and, if recommended by counsel, will follow the procedure set out in Section 6.3 to remediate the non-compliance.

Section 8.2. Arbitrage and Rebate Compliance. The Bond Compliance Officer will monitor the investment of Bond Restricted Funds and cause the Trustee to provide investment records to the Rebate Analyst on a timely basis. The Bond Compliance Officer will follow the directions of the Rebate Analyst with respect to the preparation of and the timing of rebate or yield reduction computations.

ADOPTED BY THE AUTHORITY
July 25, 2013

**EXHIBIT A TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE
LIST OF TAX-EXEMPT BONDS
COVERED BY THIS COMPLIANCE PROCEDURE¹**

Series	Dated Issued	Final Maturity Date	Original Principal Amount	Description
2011A	11/30/2011	1/1/2025	106,830,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2013A	11/26/2013	1/1/2027	101,535,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2015A	2/5/2015	1/1/2036	29,935,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2015B	12/22/2015	7/1/2030	136,105,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2018A	10/18/2018	7/1/2038	31,610,000	Water Pollution Control and Drinking Water Revenue Bonds (State Revolving Funds Programs)
2020A	3/18/2020	1/1/2024	74,110,000	Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)
2020B	12/3/2020	7/1/2030	100,760,000	Taxable Water Pollution Control and Drinking Water Refunding Revenue Bonds (State Revolving Funds Programs)

¹ As of March 10, 2022

EXHIBIT B TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE

SAMPLE ANNUAL COMPLIANCE CHECKLIST
(AUTHORITY)

Name of tax-exempt bonds ("Bonds"):	_____
Issue Date of Bonds:	_____
Name of Bond Compliance Officer:	_____
Period covered by request ("Annual Period"):	_____

Item	Question	Response
1 Receipt of Participant Annual Compliance Checklists	Has the Bond Compliance Officer received a completed Participant Annual Compliance Checklist from each Participant for the above referenced Tax-Exempt Bond issue for the Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If the Bond Compliance Officer has not received a completed Participant Annual Compliance Checklist from a Participant, contact the applicable Participant and obtain a completed Participant Annual Compliance Checklist, review the Participant Annual Compliance Checklist for any responses which may raise a question regarding compliance with the Post-Issuance Tax Requirements and include a copy of the completed Participant Annual Compliance Checklist in the Tax-Exempt Bond File. If a response from any Participant raises a question regarding compliance with the Post-Issuance Tax Requirements, contact the Authority's legal counsel or Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	
2 Participant Final Written Allocation	For each Participant Project that has been Placed In Service, has a Final Written Allocation been completed for the Participant Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If "Yes", include a copy of the final Participant Requisition in the Tax-Exempt Bond File. If "No", contact DNR and the applicable Participant Bond Compliance Officer to prepare a Final Written Allocation for the Participant's Project and include a copy of the final Participant Requisition in the Tax-Exempt Bond File.	
3 Arbitrage & Rebate	Have all rebate and yield reduction calculations mandated in the Tax Compliance Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact Rebate Analyst and incorporate report or include description of resolution in the Tax-Exempt Bond File.	

Bond Compliance Officer: _____
Date Completed: _____

EXHIBIT C TO
STATE REVOLVING FUNDS PROGRAMS TAX COMPLIANCE PROCEDURE

SAMPLE ANNUAL COMPLIANCE CHECKLIST
(PARTICIPANT)

Name of Participant:	
Name of bonds ("Bonds") financing the Financed Assets:	
Financed Assets: [NOTE: insert Project as defined in Purchase Agreement unless modified during construction]	
Issue Date of Bonds:	
Placed in service date of the Financed Assets:	
Name of Participant Bond Compliance Officer:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	Were all of the Financed Assets owned by the Participant during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was an Opinion of Bond Counsel obtained prior to the transfer? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2 Leases and Other Rights to Possession	During the Annual Period, were any of the Financed Assets or any part of a Financed Asset leased at any time pursuant to a lease or similar agreement for more than 50 days (e.g., has the Participant entered into an agreement permitting a cell phone tower on a Bond-financed facility)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the lease or other arrangement? If Yes, include a copy of the Opinion in the Tax-Exempt Bond File. If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

Item	Question	Response
<p>3 Management or Service Agreements</p>	<p>During the Annual Period, has the Participant entered into an agreement with another entity to manage the operation of the Financed Assets? (for example, does a private entity operate the System on behalf of the Participant)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into a management agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>4 Other Use</p>	<p>Was any agreement entered into with an individual or entity that grants special legal rights to the Financed Asset (e.g., has the Participant entered into a take or pay contract or similar agreement related to output from the Financed Assets)?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>If answer above was "Yes," was an Opinion of Bond Counsel obtained prior to entering into the agreement?</p> <p>If Yes, include a copy of the Opinion in the Tax-Exempt Bond File.</p> <p>If No, contact Bond Counsel and include description of resolution in the Tax-Exempt Bond File.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

Participant Bond Compliance Officer: _____

Date: _____

EXHIBIT E

MISSOURI-AMERICAN WATER COMPANY
MASTER INDENTURE NOTE
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)
SERIES 2022A

MANDATORY SINKING FUND REDEMPTION SCHEDULE

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
July 1, 2022	\$258,000	July 1, 2032	\$290,000
January 1, 2023	257,000	January 1, 2033	291,000
July 1, 2023	259,000	July 1, 2033	293,000
January 1, 2024	260,000	January 1, 2034	295,000
July 1, 2024	262,000	July 1, 2034	297,000
January 1, 2025	264,000	January 1, 2035	299,000
July 1, 2025	265,000	July 1, 2035	301,000
January 1, 2026	267,000	January 1, 2036	302,000
July 1, 2026	269,000	July 1, 2036	304,000
January 1, 2027	270,000	January 1, 2037	306,000
July 1, 2027	272,000	July 1, 2037	308,000
January 1, 2028	274,000	January 1, 2038	310,000
July 1, 2028	275,000	July 1, 2038	312,000
January 1, 2029	277,000	January 1, 2039	314,000
July 1, 2029	279,000	July 1, 2039	316,000
January 1, 2030	281,000	January 1, 2040	318,000
July 1, 2030	282,000	July 1, 2040	320,000
January 1, 2031	284,000	January 1, 2041	322,000
July 1, 2031	286,000	July 1, 2041 [†]	322,000
January 1, 2032	288,000		

[†]Maturity

EXHIBIT F
SCHEDULE OF EXPECTED ECONOMIC LIFE

Description of Property Comprising the Project and Financed Property

2022A Project						
Asset Description	Original Economic Life	Estimated Placed in Service Date	Elapsed Time from Issue Date	Estimated Remaining Economic Life	Cost	Economic Life x Financed Cost
Clearwell and High Service Pump Station Replacement						
Land Purchase					1,700	-
Construction - Water Treatment Plant	40	November-20	-1.36	38.64	10,119,542	391,019,103
Cultural Resource Survey (SCI Engineering)					4,700	-
RPR					227,600	-
Contingency					504,352	-
Preliminary Design Report					315,055	-
					11,172,949	391,019,103
Less land/soft costs					(1,053,407)	
Net costs					10,119,542	
*Takes on the average, reasonably expected economic life of the project.						
Original Average, Reasonably Expected Economic Life:				38.64 years		
120% of Original Economic Life		120%		46.37		
Loan Proceeds Allocated to Project Costs					11,140,443	99.71%
Other Money Allocated to Project Costs					32,505	0.29%
Total Project Costs					11,172,949	100.00%

Costs of Issuance Paid from Loan

Description	Payee	Amount
Master Trust Bonds Expense	DNR (per Escrow Agreement)	\$ 67,494.00
Recording Fees	Gilmore & Bell, P.C.	\$ 57.00
DNR Program Counsel Fee and Exp.	Gilmore & Bell, P.C.	\$ 7,500.00
Paying Agent Acceptance Fee	UMB Bank, N.A.	\$ 1,000.00
Total		\$ 76,051.00

MASTER TRUST INDENTURE

Dated as of March 1, 2022

between

MISSOURI-AMERICAN WATER COMPANY

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Note Trustee**

**Missouri-American Water Company
Master Indenture Notes**

MASTER TRUST INDENTURE

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Exhibit A-1 – Form of Master Indenture Note for Related Obligations

Exhibit A-2 – Form of Master Indenture Note for Direct Loans

Exhibit B – Existing Indebtedness

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MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE dated as of March 1, 2022 (together with all supplements and amendments hereto, the “*Master Indenture*”), between **MISSOURI-AMERICAN WATER COMPANY**, a Missouri corporation (the “*Company*”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out, having corporate trust offices located in Philadelphia, Pennsylvania and St. Louis, Missouri, as corporate trustee (the “*Master Note Trustee*”).

RECITALS

1. The Company is authorized by law, and deems it necessary and desirable, to enter into this Master Indenture to provide for the incurrence of and security for Indebtedness (herein defined), and to provide security for Guaranties (herein defined) and Interest Rate Exchange Agreements (herein defined) and the issuance of Master Notes (herein defined) under this Master Indenture, in order to promote efficient and economical financing and refinancing of facilities and other needs of the Company and for other lawful and proper corporate purposes.

2. All acts and things necessary to constitute this Master Indenture a valid indenture and agreement according to its terms have been done and performed, and the execution of this Master Indenture has been duly authorized, and the Company has duly executed this Master Indenture and may incur Indebtedness and execute, issue and deliver Master Notes hereunder, and, upon execution of this Master Indenture, will be bound by all provisions of this Master Indenture.

GRANTING CLAUSES

To declare the terms and conditions upon which Master Notes are to be authenticated, issued and delivered and to secure the payment of the Master Notes and the performance and observance of all the covenants and conditions in this Master Indenture and the Master Notes, and in consideration of the premises and of the purchase and acceptance of Master Notes by the Holders thereof, the Company by these presents grants a security interest in, pledges, assigns and transfers in trust to the Master Note Trustee, subject to Permitted Encumbrances, upon the terms set forth in this Master Indenture for the equal and proportionate benefit and security of all Holders of the Master Notes without priority of any Master Note over any other Master Note, the following property (the “*Trust Estate*”):

- (a) the Mortgage and the Mortgaged Property mortgaged thereunder;
- (b) all moneys paid to the Master Note Trustee by the Company under this Master Indenture and the Master Notes, and all other moneys and securities, if any, at any time held by the Master Note Trustee under the terms of this Master Indenture; and
- (c) any and all other real or personal property of every kind and nature from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under this Master Indenture by the Company, or by anyone on the Company’s behalf and with its written consent, to the Master Note Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Master Indenture.

NOW, THEREFORE, the Company covenants and agrees with the Master Note Trustee, for the equal and proportionate benefit of the Holders of the Master Notes, that all Master Notes are to be authenticated and delivered and the Trust Estate is to be held and applied by the Master Note Trustee, subject to the further covenants, conditions and trusts set forth in this Master Indenture, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms.

For all purposes of this Master Indenture, except as otherwise provided or unless the context otherwise requires, the following words and terms as used in this Master Indenture have the following meanings:

“Affiliate” means any Person which controls, or is controlled by, or is under common control with the Company. For purposes of this definition, a Person controls another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors, by contract, or otherwise.

“Balloon Indebtedness” means Long-Term Indebtedness, 25% or more of the original principal of which becomes due and payable (either by maturity or scheduled mandatory redemption), during any consecutive 12-month period, if such principal becoming due is not required to be amortized below such percentage by scheduled mandatory redemption or prepayment prior to such 12-month period.

“Board Resolution” means a copy of a resolution certified by an Officer’s Certificate to have been duly adopted by the Governing Board of the Company and to be in full force and effect on the date of such Officer’s Certificate, and delivered to the Master Note Trustee.

“Book Value” means, when used with respect to Property, the aggregate value of such Property, net of accumulated depreciation and amortization, as reflected in or derived from the most recent Company Financial Statements, provided that such aggregate is calculated in such a manner that no portion of the value of any Property of the Company is included more than once.

“Capitalization Ratio” means, as of any date of calculation, the ratio determined by dividing (a) a numerator equal to the total Long-Term Indebtedness of the Company by (b) a denominator equal to the sum of (1) such Long-Term Indebtedness, and (2) the total Unrestricted Net Assets of the Company, as reflected in or derived from the most recent Company Financial Statements.

“Commitment Indebtedness” means the obligation of the Company to repay amounts disbursed pursuant to a binding commitment from a financial institution (including a line of credit, letter of credit, standby bond purchase agreement, reimbursement agreement or similar credit or liquidity facility or arrangement established in connection with the issuance or incurrence of any Indebtedness or Related Obligations) to pay, refinance, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, other Indebtedness or Related Obligations, and the obligation of the Company to pay interest

payable on amounts disbursed for such purposes, plus any fees payable to such financial institution for such commitment.

“*Company*” means Missouri-American Water Company, a Missouri corporation, its successors and assigns, and any surviving, resulting or transferee corporation.

“*Company Financial Statements*” means the audit report and consolidated financial statements of the Company for any Fiscal Year, prepared in accordance with GAAP, as certified by the Company’s independent certified public accountants.

“*Completion Indebtedness*” means Long-Term Indebtedness of the Company incurred for the purpose of financing, without materially changing the scope thereof, (a) the completion of facilities for which Long-Term Indebtedness was previously incurred under this Master Indenture, or (b) the improvement, replacement or substitutions for, or additions to, facilities for which Long-Term Indebtedness was previously incurred, necessitated by faulty design, damage to or destruction of such facilities, or required by enactment of legislation or the promulgation of any ruling affecting the operation of such facilities by a government agency.

“*Consultant*” means a professional consulting firm, certified public accounting firm, investment banking firm, or other Person, selected by the Company, having the skill and experience necessary to render the particular report required by this Master Indenture and having a favorable reputation for such skill and experience, which Person shall have no interest, direct or indirect, in the Company and shall not have a partner, member, director, officer or employee who is a partner, member, director, officer or employee of the Company, it being understood that an arm’s-length contract between such firm and the Company for the performance of consulting, accounting, investment banking or financial analysis or other services is not regarded as creating a disqualifying interest in or employee relationship with such entity.

“*Credit Facility*” means with respect to any Master Notes or Related Obligations, any insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement issued by a bank, trust company, national banking association, insurance company or other credit provider in favor of the Holders of such Master Notes or Owners of such Related Obligations for the purpose of providing a source of funds for the payment of all or a portion of the obligations of the Company under the related Indebtedness or Related Obligations.

“*Current Value*” means (a) with respect to Property, the aggregate fair market value of such Property as determined by (1) a written report of an appraiser and, in the case of real property, who is a member of the Appraisal Institute (MAI), delivered to the Master Note Trustee (which report must be dated not more than 3 years prior to the date as of which Current Value is calculated), or (2) a bona fide offer for the purchase of such Property made on an arm’s length basis within 6 months of the date of determination as established by an Officer’s Certificate, and (b) with respect to any other Property, the fair market value of such Property, as determined by a qualified appraiser for the type of Property being valued selected by the Company that is not unacceptable to the Master Note Trustee, or, if a qualified appraiser cannot be identified for any such Property, the Book Value for that Property.

“*Debt Service Coverage Ratio*” means for any period of time, the ratio determined by dividing (a) a numerator equal to the Net Income Available for Debt Service for that period by (b) a denominator equal to the Debt Service Requirements for Long-Term Indebtedness for that period of time; provided that in determining this ratio, any principal amount of any Long-Term Indebtedness paid from proceeds of other Indebtedness incurred in accordance with this Master Indenture shall be excluded.

“*Debt Service Requirements*” means, with respect to Long-Term Indebtedness for any period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of scheduled mandatory sinking fund redemption, scheduled mandatory prepayment or otherwise) and interest on the Long-Term Indebtedness with respect to which calculated; provided that:

- (a) the amount of such payments for a future period are calculated in accordance with the assumptions contained in **Section 602**;
- (b) payments under Interest Rate Exchange Agreements are taken into account in accordance with **Section 602(g)**;
- (c) such payments are excluded from Debt Service Requirements to the extent that cash or Escrowed Obligations are on deposit in an irrevocable escrow or trust account and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal or interest and are sufficient to pay such principal or interest;
- (d) such payments are excluded from Debt Service Requirements to the extent such principal or interest was paid or is to be paid from the proceeds of Refunding Indebtedness or other Long-Term Indebtedness (e.g., accrued interest, capitalized interest or debt service reserves available for payment of the final principal maturity of Long-Term Indebtedness); and
- (e) such payments on Non-Recourse Indebtedness, Short-Term Indebtedness and Subordinated Indebtedness are excluded from Debt Service Requirements.

“*Escrowed Obligations*” means (a) with respect to any Master Note which secures Related Obligations, the obligations permitted to be used to defease such series of Related Obligations under the Related Obligation Documents, and (b) with respect to any other Indebtedness, Government Obligations.

“*Event of Default*” means any of the events described in **Section 701**.

“*Existing Indebtedness*” means (a) the Indebtedness listed on **Exhibit B** to this Master Indenture, and (b) Indebtedness of a Person that becomes the Company, to the extent permitted hereunder, subsequent to the date of this Master Indenture that is Outstanding at the time such Person becomes the Company.

“*Expenses*” means, for any period of time for which calculated, the total of all operating and non-operating expenses and losses incurred during such period by the Company, determined in accordance with GAAP, other than (a) interest expense, (b) depreciation and amortization, (c) non-cash items, and (d) extraordinary losses resulting from the early extinguishment of debt, the sale or other disposition of assets not in the ordinary course of business or any reappraisal, revaluation or write-down of assets, and any other extraordinary losses or expenses (e.g., extraordinary expenses resulting from COVID-19).

“*Finance Lease*” means any lease of real or personal property capitalized on the balance sheet of the lessee constituting a finance lease under GAAP.

“*Fiscal Year*” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the Company as the Fiscal Year of the Company for financial

reporting purposes and written notice of which shall be delivered by the Company to the Master Note Trustee.

“GAAP” means generally accepted accounting principles and practices recognized from time to time by the Financial Accounting Standards Board (or any generally recognized successor) or Generally Accepted Government Auditing Standards consistently applied for all periods to properly reflect the financial condition, and the results of operations and changes in financial position, of the Borrower (and, on a consolidated basis, of the Borrower and its consolidated subsidiaries, if applicable).

“Governing Board” means, with respect to the Company, the board of directors, board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested, or an executive or finance committee of such board or any other duly authorized committee of that board to which the powers of that board have been lawfully delegated.

“Governing Documents” means, with respect to any corporation, the articles of incorporation, certificate of incorporation, corporate charter, bylaws or other document pursuant to which such corporation is organized and existing.

“Government Obligations” means the following:

(a) direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America; and

(b) evidences of direct ownership of a proportionate or individual interest in future principal or interest payments on specified direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian pursuant to the terms of a custody agreement in form and substance not unsatisfactory to the Master Note Trustee and which obligations are not available to satisfy creditors of the custodian.

“Guaranty” means any obligation of the Company guaranteeing, directly or indirectly, any obligation of any other Person other than the Company, which obligation would, if such other Person were the Company, constitute Long-Term Indebtedness, including but not limited to obligations incurred through an agreement, contingent or otherwise, by the Company (a) to purchase such obligation or any Property constituting security therefor, (b) to advance or supply funds (1) for the purchase or payment of such obligation, or (2) to maintain working capital or other balance sheet condition, (c) to purchase securities or other Property or services primarily for the purpose of assuring the holder of such obligation of the ability of the Person who is primarily obligated on the obligation guaranteed by the Company to make payment of the obligation, or (d) otherwise to assure the holder of such obligation against loss in respect thereof. A Guaranty by the Company may be evidenced or secured by a Master Note.

“Holder,” “Noteholder” or “Registered Holder” means the Person or Persons in whose name a Master Note is registered on the note register kept by the Master Note Trustee.

“Indebtedness” means all indebtedness or obligations of the Company for the payment or repayment of borrowed money (including the Outstanding Senior Obligations, Long-Term Indebtedness, Finance Leases, Short-Term Indebtedness, Subordinated Indebtedness, Refunding Indebtedness and installment purchase contracts) shown as liabilities on the balance sheet of the Company or the Company

Financial Statements or which may be properly capitalized on the balance sheet of the Company or the Company Financial Statements in accordance with GAAP (including obligations that are not evidenced or secured by Master Notes hereunder) and Guaranties. Indebtedness does not include:

- (a) any portion of any Indebtedness or any Related Obligations for which cash or Escrowed Obligations are irrevocably on deposit in an escrow or trust account with the Master Note Trustee, the Related Obligation Trustee or a third party escrow agent, which cash and Escrowed Obligations (including, where appropriate, the earnings or other increments to accrue thereon) are required to be used to pay the principal of and interest on such Indebtedness or Related Obligations and such Indebtedness or Related Obligations are no longer deemed to be Outstanding under **Section 1001** or the Related Obligation Documents;
- (b) liabilities incurred by the endorsement for collection or deposit of checks or drafts received in the ordinary course of business or overdrafts to banks to the extent there are immediately available funds sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business;
- (c) accounts payable, deferred revenue and similar current liabilities (other than for the repayment of borrowed money) incurred in the ordinary course of business, including unsecured obligations to repay credit card balances;
- (d) liabilities payable out of current payments for the funding of employee pension plans, retiree benefits other than pensions, health plans and other benefit programs, contributions to self-insurance or pooled-risk insurance programs and estimated long-term self-insurance liability, and the funding of reserves for deferred taxes, deferred revenues, deferred compensation, and similar such liabilities;
- (e) obligations under contracts for supplies, services or pensions allocated to the current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pensions paid;
- (f) rentals payable under leases that are not Finance Leases;
- (g) refundable government loan funds;
- (h) any Interest Rate Exchange Agreement or any Master Note issued to evidence or secure obligations thereunder; and
- (i) any other obligations that do not constitute indebtedness for borrowed money and may not be properly capitalized on the balance sheet of the Company under GAAP.

“Interest Rate Exchange Agreement” means any interest rate exchange agreement or comparable agreement entered into by the Company for a term exceeding one year, pursuant to which the Company is obligated to make interest-like payments to or on behalf of another Person and that Person is obligated to make similar interest-like payments to or on behalf of the Company (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal.

“*Internal Revenue Code*” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“*Long-Term Indebtedness*” means (a) Indebtedness having an original stated maturity or term greater than one year, or (b) Indebtedness having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor, without additional consent of the lender, for a period greater than one year from the date of original issuance or incurrence thereof, or with respect to which the Company has incurred Commitment Indebtedness that would refinance such Indebtedness for a period extending beyond one year from the date of original issuance or incurrence thereof.

“*Master Indenture*” means this Master Trust Indenture between the Company and the Master Note Trustee, as from time to time amended or supplemented in accordance with the terms hereof.

“*Master Notes*” means Master Indenture Notes issued, authenticated and delivered under this Master Indenture concurrently with or after the date on which this Master Indenture becomes effective.

“*Master Note Trustee*” means U.S. Bank Trust Company, National Association, or any successor trustee under this Master Indenture.

“*Mortgage*” means the Deed of Trust and Mortgage dated as of March 1, 2022, from the Company, as grantor, to the mortgage trustee named therein, and the Master Note Trustee, as beneficiary and as trustee for the Holders of the Master Notes, under which the Company grants a mortgage lien and security interest in the Mortgaged Property, as from time to time amended or supplemented in accordance with its terms.

“*Mortgaged Property*” means the Mortgaged Property described in the granting clauses of the Mortgage and which is subject to the lien and security interest of the Mortgage, but excluding therefrom any property released from the lien of the Mortgage pursuant to the provisions thereof.

“*Net Income Available for Debt Service*” means, as to any period of time, all Revenues minus Expenses of the Company.

“*Non-Recourse Indebtedness*” means Indebtedness secured by a mortgage, lien or security interest in Property (other than the Mortgaged Property), the liability or recourse for which is limited to the Property subject to such encumbrance, with no other recourse, directly or indirectly, to the general credit of the Company or to any other Property of the Company.

“*Officer’s Certificate*” means a written certificate, request or other instrument of the Company signed by the president or vice president of its Governing Board, chief executive officer, chief financial officer or any other duly authorized officer.

“*Opinion of Bond Counsel*” means a written opinion of any legal counsel acceptable to the Master Note Trustee who is nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“*Opinion of Counsel*” means a written opinion of any legal counsel acceptable to the Master Note Trustee and, without limitation, may include independent legal counsel for the Master Note Trustee, the Company, any Related Obligation Issuer or any Related Obligation Trustee.

“*Outstanding*” means the following:

- (a) when used with respect to Master Notes, as of the date of determination, all Master Notes theretofore authenticated and delivered under this Master Indenture, except:
 - (1) Master Notes theretofore cancelled by the Master Note Trustee or delivered to the Master Note Trustee for cancellation as provided in **Section 209**;
 - (2) Master Notes for whose payment or redemption money or Escrowed Obligations in the necessary amount are deposited with the Master Note Trustee or any Paying Agent in trust for the Holders of such Master Notes as provided in **Section 1001**, provided that, if such Master Notes are to be redeemed, notice of such redemption is duly given pursuant to this Master Indenture or provision therefor satisfactory to the Master Note Trustee is made;
 - (3) Master Notes issued in connection with the issuance of a series of Related Obligations, to the extent that such Related Obligations and all other obligations evidenced by such Master Notes are discharged and the Related Obligations are no longer deemed outstanding under the Related Obligation Documents;
 - (4) Master Notes in exchange for or in lieu of which other Master Notes are authenticated and delivered under this Master Indenture; and
 - (5) Master Notes alleged to be mutilated, destroyed, lost or stolen which are replaced as provided in **Section 208**; and
- (b) when used in connection with Indebtedness other than Master Notes, all such Indebtedness except Indebtedness with respect to which the obligation to make payments is discharged and no longer deemed outstanding in accordance with the terms of the instrument or instruments creating or evidencing such Indebtedness.

“*Owner of Related Obligations*” means the Person or Persons in whose name a Related Obligation is registered as shown on the register maintained by the Related Obligation Trustee.

“*Paying Agent*” means the Master Note Trustee and any other commercial bank or trust company organized under the laws of any state of the United States of America or any national banking association designated pursuant to this Master Indenture or any Supplemental Master Indenture as paying agent for any Master Notes at which the principal of, redemption premium, if any, and interest on such Master Notes shall be payable.

“*Permitted Encumbrances*” means, with respect to Property of the Company as of any particular time, the following:

- (a) the lien and security interest of this Master Indenture in the Trust Estate, the lien on the Mortgaged Property granted to the Master Note Trustee pursuant to the Mortgage, the lien of the Master Note Trustee granted pursuant to **Section 804** and any other liens or security interests in Property of the Company that equally and ratably secure all of the Master Notes on a parity basis;

- (b) liens for taxes, assessments, and other governmental charges not delinquent, or if delinquent are being contested in good faith by appropriate proceedings and as to which the Company shall have set aside on its books adequate reserves with respect thereto;
- (c) mechanic's, laborer's, materialman's, supplier's or vendor's liens not filed of record and similar charges not delinquent, or if filed of record are being contested in good faith and have not proceeded to judgment and as to which the Company shall have set aside on its books adequate reserves with respect thereto;
- (d) liens in respect of judgments or awards with respect to which the Company is in good faith currently prosecuting an appeal or proceedings for review, and with respect to which the Company shall have secured a stay of execution pending such appeal or proceedings for review, provided the Company shall have set aside on its books adequate reserves with respect thereto;
- (e) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions that do not materially affect the marketability of title to such Property and do not in the aggregate materially impair the use of such Property for the purposes for which it is held by the Company;
- (f) such minor defects and irregularities of title as normally exist with respect to property similar in character to the Property affected thereby and which do not materially affect the marketability of title to or value of such Property and do not materially impair the use of such Property for the purposes for which it is held by the Company;
- (g) zoning laws, ordinances or regulations and similar restrictions that are not violated by the Property affected thereby;
- (h) statutory liens and rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business;
- (i) all right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;
- (j) rights reserved to, or vested in, any municipality or governmental or other public authority by virtue of any franchise, license, contract or statute to control or regulate any Property, or to use such Property in any manner, or to purchase, or designate a purchaser of or order the sale of, any Property upon payment of cash or reasonable compensation therefor, or to terminate any franchise, license or other rights;
- (k) liens arising by reason of (1) good faith deposits with the Company in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), (2) deposits by the Company to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, (3) deposits as security for the payment of taxes or assessments or other similar charges, (4) deposits with, or the giving of any form of security to, any municipality or governmental or other public authority for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Company to

maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements, and (5) additional cash deposits required by any Related Obligation Documents;

- (l) restrictions on Property received by the Company through gifts, grants, bequests, contributions or donations imposed by the donor or grantor of such Property and which consist solely of restrictions on the use of such Property or the income and gains therefrom;
- (m) liens on and security interests in the proceeds of Indebtedness prior to the application of such proceeds or any debt service fund, reserve fund, escrow fund or similar fund established to secure the payment of Indebtedness;
- (n) liens existing on Property at the time of its acquisition by the Company through purchase, lease or otherwise (including liens arising from precautionary UCC filings regarding "true" operating leases), or liens existing on Property of a Person on the date such Person becomes the Company or merges into or consolidates with the Company that were not imposed or incurred in contemplation of such Person becoming the Company or merging into or consolidating with the Company; provided, that no such lien may be increased, extended, renewed, or modified after such date to apply to any Property of the Company not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance under this Master Indenture;
- (o) leases, under which the Company is lessor or sublessor, that relate to Property of the Company which is of a type that is customarily the subject of such leases; and any other leases entered into in accordance with the disposition of Property provisions of this Master Indenture;
- (p) purchase money mortgages, security interests, and liens securing Purchase Money Indebtedness, placed upon Property in order to obtain the use of such Property or to secure all or any portion of the purchase price thereof;
- (q) other liens on Property securing any Indebtedness if at the time of incurrence of such Indebtedness and after giving effect to all liens classified under this subsection, the Book Value or, at the option of the Company, the aggregate Current Value of all Property of the Company subject to such liens is not more than 20% of such value of all of the Property of the Company;
- (r) liens on Property securing Commitment Indebtedness issued in support of any Long-Term Indebtedness which are equal in rank and priority with or subordinate to the liens granted to secure such Long-Term Indebtedness so long as the lien securing the Long-Term Indebtedness is a Permitted Encumbrance;
- (s) liens on Property securing Subordinated Indebtedness, provided that a superior lien on the same Property is granted to secure all Master Notes;
- (t) liens on Property that are existing at the date of this Master Indenture including, for so long as the Senior Obligations are Outstanding, the lien on the Property of the Company granted

pursuant to the Senior Indenture and any other liens or security interests in Property of the Company that secure the Senior Obligations;

- (u) liens on unimproved real property and any other lien or encumbrance created or incurred in the ordinary course of business which does not secure, directly or indirectly, the repayment of borrowed money or the payment of installment sales contracts or Finance Leases and which, individually or in the aggregate, do not materially impair the value or the utility of the Property subject to such lien or encumbrance;
- (v) liens on cash, securities or deposits securing obligations relating to letters of credit to secure payment of utility charges, workers' compensation obligations or similar operating expenses;
- (w) liens on cash, securities or deposits securing obligations relating to letters of credit or other credit support required by the United States of America federal government, or the State of Missouri, or any department agency, political subdivision or authority thereof in connection with the Company's eligibility for programs, funds or other support therefrom;
- (x) liens on cash or securities securing the obligations of the Company under an Interest Rate Exchange Agreement; and
- (y) any other liens on Property expressly permitted by this Master Indenture or approved in writing by the Holders of all of the Master Notes.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

"Property" means with respect to the Company any and all rights, titles and interests of the Company in and to the Mortgaged Property and each other facility in which the Company has ownership or other legal interests (including all real property and fixtures comprising any such facility and all related revenues generated by and attributable to any such facility), all land, leasehold interests, buildings, fixtures and equipment and any and all other property, whether real or personal, tangible (including unrestricted cash and investments) or intangible, wherever situated and whether now owned or hereafter acquired; provided, however, that Property of the Company does not include:

- (a) assets of "employee pension benefit plans" as defined in the Employee Retirement Income Security Act of 1974, as amended;
- (b) assets of self-insurance trusts which prohibit any application of such assets for purposes that are not related to claims as defined in the governing trust document;
- (c) endowment funds and property derived from gifts, grants, research contracts, bequests, donations and contributions made to or with the Company that are specifically restricted by the donor, testator or grantor to a particular purpose, and the income and gains derived therefrom;
- (d) the property of any Person that becomes the Company subsequent to the date of this Master Indenture that is designated excluded property in a Supplemental Master Indenture at the time such Person becomes the Company, provided that such property may be treated as

excluded property only if such property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property; and

- (e) any other property, which may be established by the Company in an Officer's Certificate delivered to the Master Note Trustee, upon which none of the primary operations of the Company are conducted and which does not constitute a material or integral part of the primary operations of the Company and is not material in the generation of Net Income Available for Debt Service.

"Purchase Money Indebtedness" means Indebtedness incurred by the Company pursuant to a purchase money contract, conditional sale agreement, installment purchase contract, Finance Lease, or other similar debt or title retention agreement entered in connection with the acquisition of real or personal property (other than Mortgaged Property) and secured by a purchase money mortgage, security interest or lien with respect to the property acquired by the Company, where the lien of the seller or lender under such agreement is limited to such property.

"Refunding Indebtedness" means Long-Term Indebtedness issued for the purpose of refunding other Long-Term Indebtedness (including Long-Term Indebtedness commonly referred to as refunding indebtedness or cross-over refunding indebtedness where the proceeds of such Refunding Indebtedness are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest and principal on such Refunding Indebtedness and/or the Indebtedness being refunded).

"Related Obligation Documents" means any indenture, bond resolution or similar instrument pursuant to which any series of Related Obligations is issued and the document or documents (including without limitation any loan agreement, financing agreement, lease financing agreement, installment sales contract or other financing agreement) pursuant to which any proceeds of any Related Obligations are made available to or for the benefit of the Company.

"Related Obligation Issuer" means any issuer of a series of Related Obligations.

"Related Obligation Trustee" means any trustee under any Related Obligation Document and any successor trustee thereunder or, if no trustee is appointed under a Related Obligation Document, the Related Obligation Issuer.

"Related Obligations" means the revenue bonds, notes, loans or other obligations issued, incurred or delivered by a Related Obligation Issuer, pursuant to a Related Obligation Document, the proceeds of which are loaned or otherwise made available to the Company in consideration of the execution, authentication and delivery of a Master Note to or for the order of such Related Obligation Issuer.

"Revenues" means, for any period of calculation, the total of all operating and nonoperating revenues of and gains derived by the Company, including but not limited to gifts, bequests or donations and income thereon, including accounts receivable and rights to receive the same plus investment and other income of the Company for such period; provided, however, that no determination thereof shall take into account (a) income derived from Escrowed Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness that is not Outstanding, (b) any gains or losses resulting from the early extinguishment of Indebtedness, or the reappraisal, reevaluation or write-up of assets, (c) gifts, grants (excluding grants from the State), bequests or donations and income thereon restricted as to use by the donor or grantor for a purpose inconsistent with the payment of debt service on Indebtedness (i.e., unrelated to the purposes for which such obligations were issued), payments for facilities of the Borrower, or

Expenses, (d) non-cash items and (e) net unrealized gains (losses) on investments. For purposes of any calculation that is made with reference to both Revenues and Expenses, any deduction or reduction from revenues otherwise required by the preceding provisions of this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses. For purposes of application of this definition to any calculation, at the option of the Company, when computing Revenues, net realized gains from the sale of investments may be included on the basis of the average annual amount of those gains and losses for the three fiscal years preceding the computation date in lieu of the actual amount of net realized gains from the sale of investments for the fiscal year for which the computation is being made.

“*Senior Indenture*” means the Indenture of Mortgage dated as of May 1, 1968, between the Company and the Senior Trustee, under which the Company granted a first mortgage lien and security interest in certain Property of the Company to secure the Senior Obligations, subject to permitted encumbrances (as defined therein), as from time to time amended or supplemented in accordance with its terms.

“*Senior Obligations*” means, collectively, the Company’s (a) \$12,500,000 aggregate principal amount of General Mortgage Bonds, 7.14% Series due March 1, 2034, all of which are presently outstanding, (b) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 8.58% Series due March 1, 2025, all of which are presently outstanding, (c) \$8,000,000 aggregate principal amount of General Mortgage Bonds, 7.79% Series due June 1, 2027, all of which are presently outstanding and (d) any future general mortgage bonds issued and secured by the Senior Indenture.

“*Senior Trustee*” means U.S. Bank Trust Company, National Association, or any successor trustee under the Senior Indenture.

“*Short-Term Indebtedness*” means Indebtedness having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable at the option of the debtor for a term greater than one year beyond the date of original incurrence.

“*Subordinated Indebtedness*” means Indebtedness of the Company that by the terms thereof is specifically junior and subordinate to the Master Notes with respect to payment of principal and interest thereon and that is evidenced by an instrument containing provisions substantially the same as those set forth in **Section 601(h)**.

“*Supplemental Master Indenture*” means an indenture amending or supplementing this Master Indenture entered into pursuant to **Article IX**.

“*Trust Estate*” means the property described as the Trust Estate in the Granting Clauses of this Master Indenture that is subject to the lien and security interest of this Master Indenture.

“*Unrestricted Net Assets*” means the unrestricted net assets of the Company as reflected on the most recently completed Company Financial Statements.

Section 102. Rules of Construction.

For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) The terms defined in this Article include the plural as well as the singular.

- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for must be made, in accordance with GAAP to the extent applicable.
- (c) All references herein to GAAP refer to such principles in effect on the date of the determination, certification, computation or other action taken hereunder using or involving such terms; provided, as applied to any entity with respect to which particular accounting principles from time to time shall have been generally adapted or modified, the term “accounting principles generally accepted in the United States of America” shall include the adaptations or modifications, as described in the notes to the audited financial statements of such entity.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.
- (f) The Articles and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

MASTER NOTES

Section 201. Authorization, Amount and Terms of Master Notes.

The Company may issue Master Notes, but subject to the provisions of this Master Indenture and the provisions of any Supplemental Master Indenture authorizing the issuance of Master Notes. No Master Notes may be issued under this Master Indenture except in accordance with the provisions of this Article. The total principal amount of Master Notes, the number of Master Notes and the series of Master Notes that may be issued under this Master Indenture are not limited, except with respect to any series of Master Notes as provided in the Supplemental Master Indenture providing for the issuance thereof, and except as limited by law.

Master Notes, including Master Notes issued in transfer or exchange of Outstanding Master Notes, may be issued hereunder to evidence and secure any type of Indebtedness, Guaranties and Interest Rate Exchange Agreements, including without limitation any Indebtedness issued or incurred as notes, bonds or other form of debt obligation, or other financial obligations which may be contingent obligations that could result in Indebtedness. If any Indebtedness issued under this Master Indenture is not issued directly in the form of a Master Note, a Master Note must be issued hereunder as evidence and security for the payment of such Indebtedness in lieu of directly issuing such Indebtedness as a Master Note.

Master Notes must be issued pursuant to a Supplemental Master Indenture authorized by the Governing Board of the Company prior to the issuance of such Master Notes. The Supplemental Master Indenture providing for the issuance of Master Notes will set forth the purposes for which such Indebtedness is being incurred, the principal amount of such Master Notes, the date and maturity of such Master Notes, the interest rate or rates, or the method of determining the interest rate or rates, at which such Master Notes shall bear interest, the date or dates upon which principal of, premium, if any, and interest on such Master Notes are payable, the form of such Master Notes and the conditions precedent to the delivery of such Master Notes and any other terms and provisions of such Master Notes (which terms shall not be inconsistent with the provisions of this Master Indenture). Master Notes may differ as between series in any respect not in conflict with the provisions of this Master Indenture and as prescribed in the Supplemental Master Indenture authorizing such Master Notes. Each series of Master Notes must be designated so as to differentiate the Master Notes of such series from the Master Notes of any other series.

Section 202. Conditions to Issuance of Master Notes.

Master Notes, duly executed as herein provided, may be delivered to the Master Note Trustee for authentication, and thereupon the Master Note Trustee shall authenticate such Master Notes and deliver such Master Notes to the Holders thereof upon receipt by the Master Note Trustee of the following:

- (a) a copy, certified by the secretary or assistant secretary of the Company, of the resolution adopted by the Governing Board of the Company authorizing the issuance of the Master Notes and the execution of the Supplemental Master Indenture;
- (b) an original executed counterpart of the Supplemental Master Indenture providing for the issuance of such Master Notes;
- (c) a request and authorization to the Master Note Trustee on behalf of the Company, executed by the Company, to authenticate the Master Notes and deliver said Master Notes to the Holders therein identified upon satisfaction of the conditions specified in this Section;
- (d) an Officer's Certificate stating that: (1) no Event of Default under this Master Indenture is occurring or will result from the issuance of such Master Notes; (2) the Company has authorized or approved the issuance of such Master Notes; (3) the provision of this Master Indenture under which the Indebtedness is being incurred, and that the opinions and certifications, if any, required by such section are being delivered, and that the requirements of such section have been met and any limitations imposed by such section will not be exceeded; (4) the Supplemental Master Indenture authorizing such Indebtedness has been duly authorized and complies with the provisions of **Article IX**; (5) any lien granted to secure the Indebtedness is a Permitted Encumbrance; (6) such Master Note is not issued for a purpose that is inconsistent with the corporate purpose of the Company; (7) such Master Note is not payable from any moneys or assets which are donor restricted or which is subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; and (8) all conditions precedent provided for in this Master Indenture relating to the authentication and delivery of such Master Notes have been complied with;
- (e) an Opinion of Counsel to the effect that: (1) all requirements and conditions precedent to the issuance, authentication and delivery of the Master Notes set forth in this Master Indenture and the Supplemental Master Indenture have been complied with and satisfied; (2) the form and terms of such Master Notes have been established in conformity with the

provisions of this Master Indenture; (3) such Master Notes, when duly executed, authenticated and delivered in accordance with the provisions of this Master Indenture, will be the valid and binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights or general principles of equity or the exercise of judicial discretion in appropriate cases, and are entitled to the benefits of and secured by the lien of this Master Indenture equally and ratably with all other Outstanding Master Notes; (4) registration of the issuance of such Master Notes under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Company has complied with all applicable provisions of said Act; (5) this Master Indenture, as so supplemented and amended, is not subject to qualification under the Trust Indenture Act of 1939, as amended; (6) the execution and delivery of the Master Notes, this Master Indenture and the Supplemental Master Indenture and the performance by the Company of its obligations thereunder do not and will not violate or cause a default under (a) its Governing Documents, or (b) any agreements, indentures, mortgages, deeds of trust, leases, notes, loan agreements or other obligations or instruments to which the Company is a party or by which the Company or any of its property is bound; (7) the issuance and sale of the Master Notes has, to the extent required by law, been duly authorized by the Missouri Public Service Commission, and no other consent or approval of any other state or local government authority is required in connection with the execution and delivery of the Master Notes, this Master Indenture and the Supplemental Master Indenture, the performance of its obligations thereunder and the consummation on the part of the Company of the transactions contemplated thereby or the issuance and sale of the Master Notes; and (8) the authentication and delivery of the Master Notes will not make the total amount of indebtedness of the Company exceed any applicable limit on indebtedness of the Company under its Governing Documents or otherwise fixed by the Company stockholders or by law; and

- (f) such other certificates, statements, receipts, opinions and documents as the Master Note Trustee shall reasonably require for the delivery of the Master Notes.

Section 203. Method of Payment of Master Notes.

Unless otherwise provided in the Supplemental Master Indenture under which any Master Notes are issued, payment of the Master Notes shall be made as follows:

- (a) The principal of, premium, if any, and interest on the Master Notes are payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.
- (b) The principal of and premium, if any, on the Master Notes are payable at the corporate trust office or other designated office of the Master Note Trustee or at the office of any alternate Paying Agent named in any such Master Notes or in a Related Obligation Document.
- (c) The interest on the Master Notes is payable to the Persons in whose name the Master Notes are registered on the registration books (kept in the corporate trust office or other designated office of the Master Note Trustee) at the close of business on the record date for such interest specified in the Supplemental Master Indenture authorizing such Master Notes and shall be paid by check or draft mailed to such Persons at the addresses that appear on the note register or at such other address as is furnished to the Master Note Trustee in writing by any holder; provided, however, that any Supplemental Master

Indenture creating any Master Note may provide that interest on such Master Note may be paid, upon the written request of the Holder of such Master Note, by electronic funds transfer.

- (d) Notwithstanding the provisions of subsections (b) and (c) above, if any Supplemental Master Indenture creating any Master Note so provides or if the Company so elects, payments on such Master Note may be made directly by the Company, by check or draft hand delivered or mailed to the Holder thereof or its designee or may be made by the Company by wire transfer to such Holder or its designee, in either case delivered on or prior to the date on which such payment is due. The Company shall give or provide for notice of any such payment to be made to the Master Note Trustee concurrently with the making thereof, specifying the amount paid and identifying the Master Note or Master Notes with respect to which such payment was made by series designation, number and Registered Holder.
- (e) Except with respect to Master Notes directly paid, the Company shall deposit with the Master Note Trustee prior to each due date of the principal of, premium, if any, or interest on any of the Master Notes a sum sufficient to pay such principal, premium, if any, or interest so becoming due. Such moneys shall be invested upon direction of the Company set forth in an Officer's Certificate in such investments as shall be specified therein. Absent such investment direction, the Master Note Trustee shall hold such moneys un-invested. The foregoing notwithstanding, amounts deposited with the Master Note Trustee to provide for the payment of Master Notes pledged to the payment of Related Obligations shall be invested in accordance with the provisions of the Related Obligation Documents.
- (f) Subject to the foregoing provisions of this Section, each Master Note delivered under this Master Indenture upon transfer of or in exchange for or in lieu of any other Master Note shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Master Note and each such Master Note shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 204. Form, Denomination, Numbering and Dating of Master Notes.

The Master Notes issued under this Master Indenture shall be substantially in the form set forth in **Exhibit A** attached hereto or the Supplemental Master Indenture pursuant to which such additional Master Notes are issued, in each case with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or necessary to reflect the terms and conditions thereof as established by any Supplemental Master Indenture. Unless Master Notes of a series have been registered under the Securities Act of 1933, as amended, each Master Note of such series shall be endorsed with a legend which shall read substantially as follows: "This Master Note has not been registered under the Securities Act of 1933, as amended." The Master Notes of each series shall be distinguished from the Master Notes of other series in such manner as may be determined by the Supplemental Master Indenture authorizing a particular series of Master Notes.

Master Notes shall be issuable as fully registered Master Notes and in such denominations as provided in the Supplemental Master Indenture authorizing such Master Notes. In the absence of any such provision with respect to any particular Master Notes, the Master Notes shall be in the denominations of \$5,000 and any integral multiple thereof.

Master Notes shall be issuable and shall be numbered as provided in the Supplemental Master Indenture authorizing such Master Notes. In the absence of any such provision with respect to any particular Master Notes, Master Notes shall be numbered R-1 and upward.

Master Notes shall be dated as provided in the Supplemental Master Indenture authorizing such Master Notes. In the absence of any such provision with respect to any particular Master Notes, Master Notes shall be dated the date of their authentication.

Section 205. Execution and Authentication of Master Notes.

The Master Notes must be executed by the Company by the manual or, if permitted by law, facsimile signature of the president, vice president or other duly authorized officers of the Company as specified in the Supplemental Master Indenture authorizing such Master Notes, and attested by the manual or, to the extent permitted by law, facsimile signature of its secretary or any assistant secretary or other duly authorized officer. If any officer whose manual or facsimile signature appears on the Master Notes shall cease to hold office before the authentication and delivery of such Master Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if that officer had remained in office until delivery.

No Master Note may be secured by, or be entitled to any lien, right or benefit under, this Master Indenture or be valid or obligatory for any purpose, unless there appears on such Master Note a certificate of authentication substantially in the form provided for in **Exhibit A** or in the Supplemental Master Indenture pursuant to which such Master Notes are issued, executed by the Master Note Trustee by manual signature of an authorized officer or signatory of the Master Note Trustee, and such certificate upon any Master Note will be conclusive evidence, and the only evidence, that such Master Note has been duly authenticated and delivered hereunder. At any time and from time to time after the execution and delivery of this Master Indenture, the Company may deliver Master Notes executed by the Company to the Master Note Trustee for authentication and the Master Note Trustee shall authenticate and deliver such Master Notes as in this Master Indenture provided and not otherwise.

Section 206. Registration, Transfer and Exchange.

The Master Note Trustee shall keep at its corporate trust office or other designated office a register (herein sometimes referred to as the “*note register*”) in which, subject to such reasonable regulations as it may prescribe, the Master Note Trustee shall provide for the registration, transfer and exchange of Master Notes as herein provided. The Master Note Trustee is hereby appointed “*note registrar*” for the purpose of registering Master Notes and transfers and exchanges of Master Notes as herein provided.

Upon surrender for transfer or exchange of any Master Note at the corporate trust office or other designated office of the Master Note Trustee, the Company shall execute, and the Master Note Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Master Notes of the same series and maturity, of any authorized denominations and of a like aggregate principal amount.

All Master Notes issued upon any transfer or exchange of Master Notes will be the valid obligations of the Company, evidencing the same debt, and entitled to the same security and benefits under this Master Indenture, as the Master Notes surrendered upon such transfer or exchange.

Every Master Note presented or surrendered for transfer or exchange (if so required by the Master Note Trustee, as note registrar) must be duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Master Note Trustee, as note registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

All Master Notes surrendered upon any exchange or transfer provided for in this Master Indenture will be promptly cancelled by the Master Note Trustee and thereafter disposed of as directed by the Company.

No service charge may be made for any registration, transfer or exchange of Master Notes, but the Master Note Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Master Notes.

At reasonable times and under reasonable regulations established by the Master Note Trustee, the note register may be inspected and copied by the Company, any Noteholder or the authorized representative thereof, provided that the ownership of such Holder and the authority of any such designated representative must be evidenced to the satisfaction of the Master Note Trustee.

No medallion guarantee shall be required for transfers or assignments of Master Notes.

Section 207. Persons Deemed Owners of Master Notes.

The Company, the Master Note Trustee and any agent of the Master Note Trustee or the Company may treat the Person in whose name any Master Note is registered as the Holder of such Master Note for the purpose of receiving payment of principal of (and premium, if any), and interest on such Master Note and for all other purposes whatsoever, except as otherwise provided in this Section, whether or not such Master Note is overdue, and, to the extent permitted by law, neither the Company, the Master Note Trustee nor any such agent shall be affected by notice to the contrary.

Unless a contrary provision is made in a Related Obligation Document, each Related Obligation Trustee shall be deemed the Holder of the Master Note or Master Notes pledged to secure the Related Obligations with respect to which such Related Obligation Trustee is acting as trustee, for purposes of any right of such Holder under **Article VII** to direct or consent to any action or remedy to be undertaken by the Master Note Trustee pursuant to the provisions of this Master Indenture and any right of such Holder under **Article IX** to consent to the execution of any supplement or amendment to this Master Indenture. If a Related Obligation Document so provides or the Supplemental Master Indenture which authorizes the issuance of the Master Notes so provides, then either (a) the Owners of each series of Related Obligations shall be deemed the Holders of the Master Notes to the extent of the principal amount of the Master Notes to which their Related Obligations relate, or (b) so long as the issuer of any Credit Facility for any Master Note or Related Obligations is not then in default on its obligations under such Credit Facility, the issuer of such Credit Facility shall be deemed the Holder of such Master Note or the Master Notes pledged as security for such Related Obligations.

Section 208. Mutilated, Destroyed, Lost and Stolen Master Notes.

If (a) any mutilated Master Note is surrendered to the Master Note Trustee, or the Master Note Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Master Note, and (b) there is delivered to the Company and the Master Note Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Company and the

Master Note Trustee that such Master Note has been acquired by a bona fide purchaser, the Company shall execute and the Master Note Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Master Note, a new Master Note of the same series and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Master Note under this Section, the Master Note Trustee and the Company may require from the holder the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Master Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen Master Note, shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Master Note shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Master Indenture equally and ratably with all other Outstanding Master Notes.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Master Notes.

Section 209. Cancellation of Master Notes.

All Master Notes surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Master Note Trustee, shall be promptly cancelled by the Master Note Trustee, and, if surrendered to any Paying Agent other than the Master Note Trustee, shall be delivered to the Master Note Trustee and, if not already cancelled, shall be promptly cancelled by the Master Note Trustee. The Company may at any time deliver to the Master Note Trustee for cancellation any Master Notes previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Master Notes so delivered shall be promptly cancelled by the Master Note Trustee. No Master Note shall be authenticated in lieu of or in exchange for any Master Note cancelled as provided in this Section, except as expressly provided by this Master Indenture. The Master Note Trustee shall execute and deliver to the Company a certificate describing the Master Notes so cancelled. All cancelled Master Notes held by the Master Note Trustee shall be disposed of as directed by the Company.

ARTICLE III

PAYMENT AND SECURITY

Section 301. Payment of Master Notes.

- (a) *Payments by Company.* The Company shall duly and punctually pay the principal of, premium, if any, and interest on all Master Notes issued under this Master Indenture, and any other payments required by the terms of such Master Notes, on the dates, at the times and at the places and in the manner provided in such Master Notes, the applicable Supplemental Master Indenture and this Master Indenture, when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise.

- (b) *Obligations Absolute and Unconditional.* Without prejudice to the Company's rights under the obligations secured or evidenced by the Master Notes, the obligations of the Company under this Master Indenture are absolute and unconditional and will remain in full force and effect until the entire Indebtedness evidenced by all Master Notes is paid or provision is made for such payment, and the Company shall perform such obligations without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, discrimination or defense or any right of termination or cancellation arising from any circumstances whatsoever, whether now existing or hereafter arising, and regardless of the invalidity of any portion of this Master Indenture, and, to the extent permitted by law, the Company waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Master Indenture or which releases or purports to release the Company therefrom.

Section 302. Security for Master Notes and Filing of UCC Financing Statements.

All Master Notes issued and Outstanding under this Master Indenture are equally and ratably secured by the pledge and assignment of and security interest in the Trust Estate under the Granting Clauses of this Master Indenture.

Any Master Notes may be secured by additional security (including without limitation a Credit Facility, liens on Property, security interests in debt service fund, reserve fund, escrow fund or similar funds), so long as any liens created in connection therewith constitute Permitted Encumbrances. Such security need not extend to any other Indebtedness (including any other Master Notes or series of Master Notes) unless required hereunder. The Supplemental Master Indenture pursuant to which any Master Note is issued may provide for such security and permit realization upon such security solely for the benefit of the Master Notes entitled thereto, and as are not inconsistent with the intent hereof; provided that, except as otherwise expressly provided herein, all Master Notes shall be equally and ratably secured by any lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

The Company will cause this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements and continuation statements covering security interests in the Trust Estate to be promptly recorded and filed, and at all times to be kept recorded and filed, and will execute and file such financing statements and cause to be issued and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve and protect the rights of the Holders of the Master Notes and the Master Note Trustee to all property comprising the Trust Estate. If the Company fails to execute and file any of such instruments and to give written evidence to the Master Note Trustee of such action within 10 days prior to the end of any applicable permitted continuation period, the Company irrevocably appoints the Master Note Trustee as its attorney-in-fact and in its name, place and stead to do so; provided that the Master Note Trustee shall in no instance be obligated to take such action.

Section 303. Outstanding Senior Lien Obligations.

So long as the Senior Obligations are outstanding, all Master Notes issued under this Master Indenture shall be issued subject to the following provisions and each person taking or holding any Master Notes, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions.

All Master Notes issued hereunder and any coupons thereto appertaining shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right to the prior payment in full of the Senior Obligations.

No payment on account of principal, premium, if any, sinking funds or interest on the Master Notes shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Master Notes, unless full payment of amounts then due and payable for principal, premium, if any, sinking funds and interest on the Senior Obligations is made or duly provided for in accordance with the terms of the Senior Indenture and the Senior Obligations. No payment on account of principal, premium, if any, sinking funds or interest on the Master Notes shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the Master Notes, if, at the time of such payment or application or immediately after giving effect thereto, (a) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any outstanding Senior Obligations, or (b) there shall have occurred any other event of default with respect to any outstanding Senior Obligations, as defined therein or in the Senior Indenture, permitting the holders thereof to accelerate the maturity thereof and such event of default is not cured or waived or shall not have ceased to exist.

Upon any acceleration of maturity of the principal amount due on the Master Notes or any payment or distribution of any kind or character, whether in cash, property or securities, upon any dissolution or winding-up or total or partial liquidation, reorganization or arrangement of the Company (as defined in the Senior Indenture), whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Senior Obligations shall first be paid in full, or payment thereof provided for in accordance with the terms of the Senior Indenture and the Senior Obligations, before any payment is made on account of the principal, premium, if any, or interest on the indebtedness evidenced by the Master Notes, and upon any such dissolution or winding-up or liquidation, reorganization or arrangement, any payment or distribution of any kind or character, whether in cash, property or securities, to which the Holders of the Master Notes or the Master Note Trustee under this Master Indenture would be entitled, except for the provisions hereof, shall be paid by the Company, or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, to the Senior Trustee to the extent necessary to pay all outstanding Senior Obligations in full, before any payment or distribution is made to the Holders of the indebtedness evidenced by the Master Notes or to the Master Note Trustee under this Master Indenture.

In the event that, in violation of any of the foregoing provisions, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the Master Note Trustee under this Master Indenture or by the Holders of the Master Notes before all Senior Obligations are paid in full, or provision made for such payment in accordance with the terms of such Senior Obligations, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the Senior Trustee for application to the payment of all Senior Obligations remaining unpaid to the extent necessary to pay all such Senior Obligations in full in accordance with their terms.

No present or future holder of Senior Obligations shall be prejudiced in his right to enforce subordination of the indebtedness evidenced by the Master Notes by any act or failure to act on the part of the Company or anyone in custody of its assets or property.

The foregoing subordination provisions shall be for the benefit of the holders of Senior Obligations and may be enforced by the Senior Trustee against the Holders of Master Notes or any trustee thereof; provided, however, that: (i) the foregoing provisions are solely for the purpose of defining the relative rights of the holders of Senior Obligations on the one hand and the Holders of the subordinated debt on the other hand, and that nothing herein shall impair, as between the Company and the Holders of the subordinated debt, the obligation of the Company, which is unconditional and absolute, to pay to the Holders thereof the principal thereof, premium, if any, and interest thereon in accordance with its terms,

nor shall anything herein prevent the Holders of the subordinated debt or the trustee on their behalf from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder, subject to the rights set forth above of the holders of Senior Obligations to receive cash, property or securities otherwise payable or deliverable to the Holders of the subordinated debt; (ii) upon any payment or distribution of assets of the Company of the character referred to in the fourth paragraph of the foregoing provisions, the Master Note Trustee under this Master Indenture shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding-up, liquidation, reorganization or arrangement proceedings are pending, and upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making any such payment or distribution, delivered to said trustee for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of Senior Obligations and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to the foregoing provisions; and (iii) that the Master Note Trustee under this Master Indenture and any Paying Agent hereunder shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by such Master Note Trustee or such Paying Agent, unless and until such Master Note Trustee or such Paying Agent, as the case may be, shall have received written notice thereof from the Company or from one or more holders of Senior Obligations, or from the Senior Trustee.

Section 304. Money for Master Note Payments to be Held in Trust; Repayment of Unclaimed Money.

Except for Master Notes for which the Company has elected to make payments directly to the Holder thereof pursuant to **Section 203**, the Company shall have one or more Paying Agents for any series of Master Notes, and will, prior to each due date of the principal of (and premium, if any) or interest, if any, on any Master Notes of that series, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust until needed for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Master Note Trustee) the Company will promptly notify the Master Note Trustee of its action or failure so to act. The initial Paying Agent shall be the Master Note Trustee.

The Company will cause each Paying Agent for any series of Master Notes other than the Master Note Trustee to execute and deliver to the Master Note Trustee an instrument in which such Paying Agent shall agree with the Master Note Trustee, subject to the provisions of this Section, that such Paying Agent will (a) hold all sums held by it for the payment of the principal of (and premium, if any) or interest, if any, on Master Notes of that series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided, (b) give the Master Note Trustee prompt notice of any default by the Company (or any other obligor upon the Master Notes of that series) in the making of any payment of principal (and premium, if any) or interest, if any, on the Master Notes of that series, and (c) at any time during the continuance of any such default, upon the written request of the Master Note Trustee, forthwith pay to the Master Note Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Master Indenture or for any other purpose, pay, or direct any Paying Agent to pay, to the Master Note Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Master Note Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Master Note Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Master Note Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of (and premium, if any) or interest, if any, on any Master Note of any series and remaining unclaimed for 1 year after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Master Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Master Note Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

Section 305. Additional Mortgaged Property.

All Mortgaged Property constituting the Trust Estate or any part thereof hereafter acquired by the Company, immediately upon such acquisition, and without any further conveyance, pledge or assignment, shall become and be part of the Trust Estate and shall be subject to the lien and security interest of this Master Indenture.

Section 306. Payments or Acts on Non-Business Days.

If the date for making any payment, performing any act, or exercising any right under this Master Indenture, is a Saturday, Sunday, or legal holiday on which banking institutions located in the city in which the corporate trust office of the Master Note Trustee is located are not open to the public for the conduct of their banking operations, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the nominal date provided in this Master Indenture.

ARTICLE IV

PREPAYMENT AND REDEMPTION

Section 401. Prepayment or Redemption of Master Notes.

The Master Notes shall be subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity on such dates and at such prices as provided in this Master Indenture and the Supplemental Master Indenture pertaining to such Master Notes. Unless waived by the Holder of a Master Note, the Master Note Trustee shall call Master Notes for redemption or prepayment as provided herein or in the Supplemental Master Indenture pursuant to which such Master Notes are issued, and shall give notice of redemption or prepayment as provided herein or in such Supplemental Master Indenture.

To the extent not otherwise provided herein or in a Supplemental Master Indenture pursuant to which any Master Notes are issued, a Related Obligation Document or other document evidencing such Indebtedness, the Company shall have the right to prepay or redeem all or such portion of any particular Master Notes as necessary to effect the payment, prepayment, redemption, refunding of the Indebtedness or Related Obligations secured by such Master Notes or any portion thereof in the manner provided in the Supplemental Master Indenture, a Related Obligation Document or other document evidencing such Indebtedness. If called for prepayment or redemption in such events, the Master Notes may be redeemed in such amount, and at such times, in the manner and with the premium necessary to effect the refunding or redemption of all or the portion of the Indebtedness or series of Related Obligations to be refunded or

redeemed. The Supplemental Master Indenture, a Related Obligation Document or other document evidencing such Indebtedness, in such case, may provide that the giving of notice of redemption of such Indebtedness or Related Obligations in accordance with the terms of the Related Obligation Document or other document evidencing such Indebtedness shall, without further notice or action by the Master Note Trustee, or the Company, constitute notice of redemption of the corresponding amounts of principal on the corresponding Master Notes and the same shall, thereby, become due and payable on the date of redemption of such Related Obligations or Indebtedness at a redemption price equal to the redemption price payable with respect to such Related Obligations or Indebtedness.

Master Notes with respect to which a sinking fund has been established shall be redeemed by the Master Note Trustee pursuant to the provisions of such sinking fund and Master Notes to be mandatorily redeemed or paid at maturity shall be redeemed or paid at maturity, as the case may be, in accordance herewith and with any Supplemental Master Indenture pursuant to which such Master Notes are issued, in both cases without any notice from or direction of the Company.

Section 402. Notice of Prepayment or Redemption.

Except as permitted by **Section 401** or unless contrary provision is made with respect to any particular Master Notes in the Supplemental Master Indenture pursuant to which such Master Notes are issued, notice of the call for any such prepayment or redemption identifying the Master Notes to be prepaid or redeemed shall be given by mailing a copy of such notice by registered, certified or first class mail to each Related Obligation Issuer whose Related Obligations are to be prepaid or redeemed and to the Registered Holders of Master Notes to be prepaid or redeemed to the addresses shown on the note register maintained by the Master Note Trustee not less than 30 days prior to the prepayment or redemption date; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing to any particular Holder will not affect the validity of the prepayment or redemption of any other Master Note. Upon the happening of the above conditions and if sufficient moneys are deposited with the Master Note Trustee and are available to pay the principal of, premium, if any, and interest on the Master Notes to be prepaid or redeemed to the prepayment or redemption date, the Master Notes, or portions thereof, thus called shall not bear interest after the applicable prepayment or redemption date, shall no longer be protected by this Master Indenture and shall not be deemed to be Outstanding under the provisions of this Master Indenture. The Master Note Trustee shall prepay or redeem, in the manner provided in this Article, such an aggregate principal amount of such Master Notes to be prepaid or redeemed at the principal amount thereof plus accrued interest to the prepayment or redemption date and premium, if any, as will exhaust as nearly as practicable such funds.

Section 403. Partial Prepayment or Redemption of Master Notes.

Upon surrender of any Master Note for prepayment or redemption in part only, the Company shall execute and the Master Note Trustee shall authenticate and deliver to the Holder thereof, at the expense of the Company, a new registered Master Note or Master Notes of the same series and maturity of authorized denominations in an aggregate principal amount equal to the unpaid portion of the Master Note surrendered. The Company and the Master Note Trustee may agree with the Holder of any Master Note that such Holder may, in lieu of surrendering the same for a new registered Master Note, endorse on such Master Note a notice of such partial prepayment or redemption to be made on a schedule which shall be typed or printed on such Master Note. Such partial prepayment or redemption shall be valid upon payment of the amount thereof to the Registered Holder of any such registered Master Note and the Company and the Master Note Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective

of whether such endorsement shall or shall not have been made upon the reverse of such Master Note by the Holder thereof and irrespective of any error or omission in such endorsement.

Section 404. Effect of Call for Prepayment or Redemption.

Master Notes called for prepayment or redemption will become and be due and payable on the prepayment or redemption date at the prepayment or redemption price provided for prepayment or redemption of such Master Notes on such date. If on the prepayment or redemption date moneys for payment of the prepayment or redemption price and accrued interest are held by the Master Note Trustee or any other Paying Agent as provided herein, interest on such Master Notes so called for prepayment or redemption shall cease to accrue, such Master Notes shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Master Note Trustee or other Paying Agent and the amount of such Master Notes so called for prepayment or redemption shall be deemed paid and no longer Outstanding.

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

Section 501. Representations and Warranties.

The Company represents and warrants with respect to itself as the basis for its covenants herein as follows:

- (a) *Organization and Authority.* The Company is duly incorporated or organized under the laws of its state of incorporation or organization, is in good standing and duly authorized to conduct its business and affairs in its state of incorporation or organization and in each state where its primary operations are conducted, is duly authorized and has full power under the laws of its state of incorporation or organization and of each state where its primary operations are conducted and all other applicable provisions of law and its Governing Documents to enter into, execute and deliver this Master Indenture and to authorize, issue, execute and deliver the Master Notes, and all corporate action on its part necessary for the valid execution and delivery of this Master Indenture and the Master Notes, has been duly and effectively taken; and prior to the issuance of each Master Note under this Master Indenture, all similar corporate action required for the authorization and issuance of each Master Note will be duly and effectively taken by the Company, and the Master Notes in the hands of the Holders thereof will be the legal and valid obligations of the Company.
- (b) *No Defaults or Violation of Law.* The execution and delivery of this Master Indenture and the Master Notes, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which it is now a party, except for any such conflict or breach which could not have a material adverse effect on the financial condition of the Company, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any lien of any nature upon any of its Property except for Permitted Encumbrances.

- (c) *Warranty of Title.* The Company has good and marketable title to all of its Property subject to no mortgage, lien, charge or encumbrance except Permitted Encumbrances. The easements, rights-of-way, liens, encumbrances, conditions, restrictions, exceptions, minor defects and irregularities of title, if any, now existing with respect to its Property do not materially adversely affect the value of the Property currently affected thereby, or materially impair or interfere with the operation and use of such Property for the purposes for which it is held by the Company. To the best of its knowledge, its Property does not violate any applicable zoning, land use, environmental or similar law or restriction.
- (d) *Licenses and Permits.* The Company has all necessary licenses and permits to occupy and operate its existing Property.

Section 502. Covenants as to Legal Existence, Maintenance of Property, and Similar Matters.

The Company hereby covenants and agrees, as follows:

- (a) *Maintenance of Legal Existence.* Except as otherwise expressly provided herein, the Company shall take all actions necessary to (1) preserve its corporate or other separate legal existence, (2) be and remain qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification, and (3) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs; provided, however, that the Company shall not be required to preserve any right or license that is no longer in the judgment of its Governing Board, desirable in the conduct of its business and the loss thereof is not disadvantageous in any material respect to the Holders of the Master Notes or the ability of the Company to perform its obligations hereunder or under the Master Notes, the Senior Indenture or any Related Obligation Documents.
- (b) *Maintenance and Use of Property.* The Company shall cause the Mortgaged Property to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all proper repairs, renewals, replacements and improvements thereof necessary for the efficient, proper and advantageous conduct of its business and operations; provided, however, that nothing herein contained shall be construed (1) to prevent it from discontinuing the operation of any of its Mortgaged Property or from removing or demolishing any building or buildings, if such discontinuance is, in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Board), desirable in the conduct of its business and not disadvantageous in any material respects to the Holders of the Master Notes, or (2) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Board, useful in the conduct of its business, and the loss of which is not disadvantageous in any material respect to the Holders of Master Notes or the ability of the Company to perform its obligations hereunder or under the Master Notes, the Senior Indenture or any Related Obligation Documents. So long as the Company is in full compliance with the terms and provisions of this Master Indenture, the Company may possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Note Trustee.

- (c) *Compliance with Laws and Regulations.* The Company shall comply in all material respects with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations and Property; provided, however, that nothing contained in this Master Indenture shall require the Company to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as (1) the validity thereof is being contested in good faith by appropriate proceedings and the Company shall have set aside on its books adequate reserves with respect to such contest, or (2) such noncompliance shall not materially impair the ability of the Company to meet its obligations hereunder or under the Master Notes, the Senior Indenture or any Related Obligation Documents. The Company shall give the Master Note Trustee prompt written notice of any such contest.
- (d) *Payment of Taxes and Other Charges.* The Company shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Company or its Property or any part thereof or upon any income therefrom, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Master Note Trustee or of the Holders of Master Notes in the Trust Estate, so that (to the extent aforesaid) the lien of this Master Indenture shall at all times be wholly preserved at the cost of the Company and without expense to the Master Note Trustee or the Holders of Master Notes; provided, however, that the Company shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof is being contested in good faith by appropriate proceedings and the Company shall have established and shall maintain adequate reserves on its books for the payment of the same. The Company shall give the Master Note Trustee prompt written notice of any such contest. Notwithstanding the foregoing, if the Master Note Trustee or the Holders of at least 25% in principal amount of the Master Notes Outstanding notify the Company that by nonpayment of any of the foregoing items the Property of the Company or any substantial part thereof will be subject to imminent loss or forfeiture, then the Company shall promptly pay all such unpaid items and cause them to be satisfied and discharged.
- (e) *Payment of Obligations.* The Company shall promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable, unless the validity, amount or collectability thereof (excluding Master Notes issued and Outstanding hereunder) is being contested in good faith or unless the failure to comply or contest would not materially impair its ability to pay its indebtedness when due nor subject a material amount of the Property of the Company to loss or forfeiture.
- (f) *Liens and Encumbrances.* The Company shall not create or incur nor permit to be created or incurred or to exist any mortgage, lien, security interest, charge or encumbrance upon the Mortgaged Property except Permitted Encumbrances. The Company shall promptly discharge or terminate all mortgages, liens, security interests, charges and encumbrances on the Mortgaged Property that are not Permitted Encumbrances. The Company shall at all times comply with all terms, covenants and provisions contained in any Permitted Encumbrances at such time existing upon the Property or any part thereof or securing any

of its Indebtedness unless the validity, amount or collectability thereof is being contested in good faith or the failure to comply or contest would not materially impair its ability to pay its Indebtedness when due nor subject any Property of the Company to loss or forfeiture.

- (g) *Validity of Master Indenture.* The Company shall not take any action which would result in this Master Indenture, the Master Notes or any Related Obligation Documents being declared invalid.

Section 503. Insurance.

The Company shall maintain insurance, which may include one or more self-insurance or other alternate risk management programs, with respect to its Property and operations covering such risks that are of an insurable nature and of the character customarily insured against by organizations operating similar properties and engaged in similar operations (including property and casualty, business interruption, worker's compensation, general and professional liability and employee dishonesty) and in such amounts as, in its judgment, are adequate to protect the Company and its Property and operations.

In lieu of maintaining the insurance coverage stated above, the Company shall have the right to adopt alternative risk management programs which the Governing Board of the Company determines to be reasonable and in the best interests of the Company, including, without limitation, to self-insure in whole or in part, individually or in connection with other organizations, to participate in programs of captive insurance companies and/or to create and operate such captive insurance companies, to participate with other organizations in mutual or other cooperative insurance or other risk management programs, or to establish or participate in other alternative risk management programs.

Subject to applicable law, all public liability policies shall name the Master Note Trustee as "mortgagee," "additional insured" or "additional loss payee." Upon request by the Master Note Trustee, the Company shall supply certificates of insurance evidencing the existence of such coverages or a certification of a Company representative that the insurance required under this **Section 503** has been obtained.

Section 504. Damage, Destruction and Condemnation.

In the event of damage or destruction of the Mortgaged Property or any portion thereof, as a result of fire or other casualty, or the condemnation or taking of such facilities or any portion thereof pursuant to any condemnation proceedings in exercise of the power of eminent domain, the net proceeds of any insurance proceeds or condemnation awards relating to such damage, destruction or condemnation remaining after payment of all expenses incurred in collection of such proceeds (including attorneys' fees and expenses and any fees and expenses of the Master Note Trustee), shall be applied as provided in the following subsection (a), (b) or (c) of this Section:

- (a) If such net proceeds do not exceed 20% of the Book Value of the Mortgaged Property and no Event of Default exists hereunder, such net proceeds shall be paid directly to the Company and may be applied by the Company to the repair, replacement or restoration of the Mortgaged Property with respect to which such net proceeds were received or used by the Company in any such other lawful manner that the Company may determine, consistent with the provisions of this Master Indenture.

- (b) If such net proceeds exceed 20% of the Book Value of the Mortgaged Property and no Event of Default exists hereunder, the Company shall immediately notify the Master Note Trustee and, within 12 months after the date on which the amount of net proceeds are finally ascertained, deliver to the Master Note Trustee an Officer's Certificate certifying that such net proceeds have been or will be paid to the Company and have been applied, or will be diligently applied, (1) to repair, replace or restore the damaged, destroyed or condemned Mortgaged Property, or (2) subject to **Section 401**, to prepay or redeem the principal portion of any Indebtedness incurred by the Company in such order of maturities and proportions as the Company shall determine.
- (c) If an Event of Default has occurred and is continuing hereunder, then any net proceeds shall be payable directly to the Master Note Trustee to be applied if directed by the Holders of not less than 50% in principal amount of the Master Notes Outstanding, to the payment of any amounts then past due and payable under the Master Notes, and to the extent not so applied, to be paid over to the Company to be applied for the purposes specified in subsection (b) above. The Company shall deliver to the Master Note Trustee an Officer's Certificate certifying that such net proceeds have been applied or will be diligently applied, within 12 months after receipt of the net proceeds from the Master Note Trustee.

Section 505. Sale or Other Disposition of Mortgaged Property.

The Company will not in any Fiscal Year sell, lease, transfer or otherwise dispose of the Mortgaged Property except upon satisfaction of all conditions precedent for the release of portions of the Mortgaged Property as provided in the Mortgage.

Section 506. Consolidation, Merger, Conveyance or Transfer.

The Company shall not consolidate with or merge into any other Person or convey or transfer its Property substantially as an entirety to any other Person, unless the following conditions are met:

- (a) such merger, consolidation, conveyance or transfer shall be on such terms as shall fully preserve the lien and security of this Master Indenture and the rights and powers of the Master Note Trustee and the Holders of the Master Notes under this Master Indenture;
- (b) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer the Company's Property substantially as an entirety shall be a corporation or other legal entity organized and existing under the laws of the United States of America or any state thereof and shall execute and deliver to the Master Note Trustee a written instrument in form reasonably satisfactory to the Master Note Trustee, and containing an assumption by such successor corporation of the due and punctual payment of the principal of (and premium, if any) and interest on all the Master Notes and the performance and observance of every covenant and condition of this Master Indenture to be performed or observed by the Company;
- (c) the Master Note Trustee receives an Officer's Certificate stating that, immediately after giving effect to such transaction, (1) no Event of Default hereunder shall have occurred and be continuing; (2) the Company could meet the conditions described in **Section 601(a)** for the incurrence of one dollar of additional Long-Term Indebtedness; and (3) the

Unrestricted Net Assets of the Company will be equal to at least **90%** of the Unrestricted Net Assets of the Company immediately prior to such transaction;

- (d) the Master Note Trustee receives an Opinion of Counsel to the effect that: (1) such consolidation, merger, conveyance or transfer and any related Supplemental Master Indenture comply with this Section and that all conditions precedent in this Master Indenture provided for relating to such transaction have been complied with and that it is proper for the Master Note Trustee under the provisions of **Article IX** and of this Section to join in the execution of any instrument required to be executed and delivered by this Section; (2) the Person which is the surviving entity meets the conditions contained in this Master Indenture and is liable on all Master Notes Outstanding hereunder, as if such Master Notes were originally issued by such Person, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights or general principles of equity or the exercise of judicial discretion in appropriate cases; and (3) under then existing law such merger, consolidation, sale or conveyance will not subject any Master Notes to the registration provisions of the Securities Act of 1933, as amended (or that such Master Notes have been so registered if registration is required); and
- (e) the Master Note Trustee, each Related Obligation Trustee and each Related Obligation Issuer receives an Opinion of Bond Counsel to the effect that, if all amounts due or to become due on any Related Obligations that bear interest that is not included in gross income for federal income tax purposes have not been fully paid to the Owners of such Related Obligations, under then existing law the consummation of such merger, consolidation, sale or conveyance would not adversely affect the exclusion of the interest payable on such Related Obligations from gross income for federal income tax purposes.

Upon any consolidation or merger or any conveyance or transfer of the Company's Property substantially as an entirety in accordance with this Section, the successor corporation or other entity formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Master Indenture with the same effect as if such successor corporation had been named as the Company herein.

No such conveyance or transfer of the Company's Property substantially as an entirety shall have the effect of releasing the Company or any successor corporation which shall theretofore have become such in the manner prescribed in this Article from its liability as obligor and maker on any of the Master Notes, unless such conveyance or transfer is followed by the complete liquidation of such Person or successor corporation and substantially all of its assets immediately following such conveyance or transfer are the securities of such successor or transferee corporation received in such conveyance or transfer.

Section 507. Financial Statements and Other Information.

The Company shall keep or cause to be kept, proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Company in accordance with GAAP. The Company shall furnish to the Master Note Trustee, each Related Obligation Trustee and the Registered Holder of any Master Note requesting receipt, as soon as practicable after they are available but in no event more than 180 days after the last day of each Fiscal

Year, the Company Financial Statements for such Fiscal Year certified by the Company's independent certified public accountants.

The Master Note Trustee shall have no duty to review or analyze the Company Financial Statements and shall hold such Company Financial Statements solely as a repository for the benefit of the Noteholders. The Master Note Trustee shall not be deemed to have notice of any information contained in the Company Financial Statements or Event of Default which may be disclosed therein in any manner.

ARTICLE VI

PERMITTED INDEBTEDNESS

Section 601. Permitted Indebtedness.

The Company shall not incur any Indebtedness (whether or not incurred or evidenced through the issuance of Master Notes under this Master Indenture) other than Existing Indebtedness and the following Indebtedness:

- (a) *Long-Term Indebtedness.* The Company may incur Long-Term Indebtedness if prior to incurrence thereof there is delivered to the Master Note Trustee a certificate or report, as described, demonstrating that after giving effect to the proposed Long-Term Indebtedness, the following is satisfied:
 - (1) *Debt Service Coverage Test:*
 - (A) *Historical Debt Service Coverage Test:* An Officer's Certificate demonstrating that the Debt Service Coverage Ratio, after giving effect to the incurrence of such proposed Indebtedness, for the most recent Fiscal Year for which Company Financial Statements are available was not less than **1.10**; or
 - (B) *Historical and Projected Debt Service Coverage Test:* An Officer's Certificate demonstrating that (i) for the most recent Fiscal Year for which Company Financial Statements are available the Debt Service Coverage Ratio was not less than **1.10**, and (ii) a certificate by a Consultant setting forth the projected Debt Service Coverage Ratio after giving effect to the incurrence of such Long-Term Indebtedness for the next 2 succeeding Fiscal Years, or if such Indebtedness is being incurred in connection with the financing of facilities, the 2 Fiscal Years succeeding the projected completion date of such facilities, is not less than **1.20**; provided that such certificate shall include forecasted balance sheets, statements of revenues and expenses and statements of cash flow for each of such 2 Fiscal Years and a statement of the relevant assumptions upon which such forecasted statements are based; or
 - (C) *Projected Debt Service Coverage Test:* A certificate by a Consultant setting forth the projected Debt Service Coverage Ratio after giving effect to the incurrence of such Long-Term Indebtedness for the next 2

succeeding Fiscal Years, or if such Indebtedness is being incurred in connection with the financing of facilities, the 2 Fiscal Years succeeding the projected completion date of such facilities, is not less than **1.25**; provided that such certificate shall include forecasted balance sheets, statements of revenues and expenses and statements of cash flow for each of such 2 Fiscal Years and a statement of the relevant assumptions upon which such forecasted statements are based; and

- (2) *Capitalization Ratio Test:* An Officer's Certificate stating that after giving effect to the incurrence of such Long-Term Indebtedness, the Capitalization Ratio does not exceed **0.65%**.
- (b) *Commitment Indebtedness.* The Company may incur Commitment Indebtedness without limit, if the Indebtedness supported by such Commitment Indebtedness was incurred in accordance with one of the provisions of this Section.
- (c) *Completion Indebtedness.* The Company may incur Completion Indebtedness in a principal amount not in excess of the amount required to provide completed and equipped facilities of substantially the same type and scope contemplated at the time such prior Long-Term Indebtedness was originally incurred, to provide for capitalized interest during the period of construction, to provide any reserve fund relating to such Completion Indebtedness and to pay the costs and expenses of issuing or incurring such Completion Indebtedness, if prior to the incurrence thereof there is delivered to the Master Note Trustee an Officer's Certificate stating that: (A) at the time the original Long-Term Indebtedness for the facilities to be completed was incurred, the Company had reason to believe that the proceeds of such Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such facilities; (B) the amount estimated to be needed to so complete the facilities; and (C) the proceeds of such Completion Indebtedness to be applied to the completion of the facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit) and any other moneys reasonably expected to be available, will be in an amount not less than the estimated amount needed to complete the facilities set forth in such Officer's Certificate.
- (d) *Guaranties.* The Company may execute a Guaranty, if the conditions for the incurrence of Indebtedness set forth in this Section are satisfied where it is assumed that the obligation guaranteed by the Company is Indebtedness of the Company, and any calculation required by the applicable subsection of this Section is made in accordance with the requirements and assumptions contained in **Section 602(e)**.
- (e) *Non-Recourse Indebtedness and Purchase Money Indebtedness.* The Company may incur Non-Recourse Indebtedness and Purchase Money Indebtedness without limit if no Event of Default under this Master Indenture is occurring.
- (f) *Refunding Indebtedness.* The Company may incur Refunding Indebtedness for the purpose of refunding (whether in advance of maturity or otherwise) any Outstanding Long-Term Indebtedness, if the Company determines that such refunding is in the best interest of the

Company and that, taking into account the issuance of the proposed Refunding Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, the aggregate Debt Service Requirements of the Company will not be increased by more than 10% and, after taking such increase into account, the Company is in compliance with the terms of this Master Indenture.

- (g) *Short-Term Indebtedness.* The Company may incur Short-Term Indebtedness without limit if no Event of Default under this Master Indenture is occurring.
- (h) *Subordinated Indebtedness.* The Company may incur Subordinated Indebtedness without limit if no Event of Default under this Master Indenture is occurring and such Indebtedness is evidenced by an instrument, or issued under an indenture or other document, containing provisions for the subordination of such Indebtedness substantially as follows (the term “debentures” being, for convenience, used in the provisions set forth below to designate the instruments issued to evidence Subordinated Indebtedness and the term “this indenture” to designate the instrument, indenture or other document containing such provisions):

“All debentures issued under this indenture shall be issued subject to the following provisions and each person taking or holding any such debenture whether upon original issue or upon transfer or assignment thereof accepts and agrees to be bound by such provisions.

All debentures issued hereunder and any coupons thereto appertaining shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right to the prior payment in full of Superior Indebtedness as defined in this Section. For all purposes of this Section, the term “*Superior Indebtedness*” shall mean all Master Notes now or hereafter issued and secured under that certain Master Trust Indenture dated as of March 1, 2022 (the “*Master Indenture*”), between Missouri-American Water Company and U.S. Bank Trust Company, National Association, as corporate trustee (the “*Master Note Trustee*”), as supplemented and modified to the date hereof, or as the same may hereafter from time to time be further supplemented and modified.

No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, unless full payment of amounts then due and payable for principal, premium, if any, sinking funds and interest on Superior Indebtedness is made or duly provided for in accordance with the terms of such Superior Indebtedness. No payment on account of principal, premium, if any, sinking funds or interest on the debentures shall be made, nor shall any property or assets be applied to the purchase or other acquisition or retirement of the debentures, if, at the time of such payment or application or immediately after giving effect thereto, (i) there shall exist a default in the payment of principal, premium, if any, sinking funds or interest with respect to any Superior Indebtedness, or (ii) there shall have occurred any other Event of Default with respect to any Superior Indebtedness, as defined therein or in the instrument under which the same is outstanding, permitting the Holders thereof to accelerate the maturity thereof and such Event of Default is not cured or waived or shall not have ceased to exist.

Upon any acceleration of maturity of the principal amount due on the debentures or any payment or distribution of any kind or character, whether in cash, property or securities,

upon any dissolution or winding-up or total or partial liquidation, reorganization or arrangement of the Company (as defined in the Master Indenture), whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due upon all Superior Indebtedness shall first be paid in full, or payment thereof provided for in accordance with the terms of such Superior Indebtedness, before any payment is made on account of the principal, premium, if any, or interest on the indebtedness evidenced by the debentures, and upon any such dissolution or winding-up or liquidation, reorganization or arrangement, any payment or distribution of any kind or character, whether in cash, property or securities, to which the Holders of the debentures or the trustee under this Indenture would be entitled, except for the provisions hereof, shall be paid by the Company, or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other person making such payment or distribution, to the Master Note Trustee to the extent necessary to pay all Superior Indebtedness in full, before any payment or distribution is made to the Holders of the indebtedness evidenced by the debentures or to the trustee under this indenture.

In the event that, in violation of any of the foregoing provisions, any payment or distribution of any kind or character, whether in cash, property or securities, shall be received by the trustee under this indenture or by the Holders of the debentures before all Superior Indebtedness is paid in full, or provision made for such payment in accordance with the terms of such Superior Indebtedness, such payment or distribution shall be held in trust for the benefit of, and shall be paid over or delivered to the Master Note Trustee for application to the payment of all Superior Indebtedness remaining unpaid to the extent necessary to pay all such Superior Indebtedness in full in accordance with its terms.

No present or future Holder of Superior Indebtedness shall be prejudiced in his right to enforce subordination of the indebtedness evidenced by the debentures by any act or failure to act on the part of the Company or anyone in custody of its assets or property.

The foregoing subordination provisions shall be for the benefit of the Holders of Superior Indebtedness and may be enforced by the Master Note Trustee against the Holders of debentures or any trustee thereof; provided, however, that: (i) the foregoing provisions are solely for the purpose of defining the relative rights of the Holders of Superior Indebtedness on the one hand and the Holders of the subordinated debt on the other hand, and that nothing herein shall impair, as between the Company and the Holders of the subordinated debt, the obligation of the Company, which is unconditional and absolute, to pay to the Holders thereof the principal thereof, premium, if any, and interest thereon in accordance with its terms, nor shall anything herein prevent the Holders of the subordinated debt or the trustee on their behalf from exercising all remedies otherwise permitted by applicable law or hereunder upon default hereunder, subject to the rights set forth above of the Holders of Superior Indebtedness to receive cash, property or securities otherwise payable or deliverable to the Holders of the subordinated debt; (ii) upon any payment or distribution of assets of the Company of the character referred to in the fourth paragraph of the foregoing provisions, the trustee under this indenture shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding-up, liquidation, reorganization or arrangement proceedings are pending, and upon a certificate of the receiver, trustee in bankruptcy, liquidating trustee, agent or other person making any such payment or distribution, delivered to said trustee for the purpose of ascertaining the persons entitled to participate in such distribution, the Holders of Superior Indebtedness

and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to the foregoing provisions; and (iii) that the trustee under this indenture and any paying agent hereunder shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by such trustee or such paying agent, unless and until such Trustee or such paying agent, as the case may be, shall have received written notice thereof from the Company or from one or more Holders of Superior Indebtedness, or from the Master Note Trustee.”

Subordinated Indebtedness incurred pursuant to this subsection shall be excluded from Debt Service Requirements under this Master Indenture.

Indebtedness may be classified and incurred under any of the above-referenced subsections with respect to which the tests set forth in such subsections are met. The Company may elect to have Indebtedness that was classified and issued pursuant to one provision of this Section, reclassified as having been incurred under another provision of this Section, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

The Company shall, prior to, or as soon as reasonably practicable after, the incurrence of any Indebtedness by the Company, deliver to the Master Note Trustee an Officer’s Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness.

Section 602. Calculation of Debt Service Requirements.

For purposes of the various calculations under this Master Indenture, the amount of Long-Term Indebtedness of the Company, the amortization schedule of such Indebtedness and the Debt Service Requirements with respect to such Indebtedness shall be calculated in accordance with the actual amortization schedule for such Indebtedness (without regard to put rights or tender option rights of the holders thereof that have not been exercised), except as follows:

- (a) *Balloon Indebtedness.* The Debt Service Requirements on Balloon Indebtedness may be deemed to be payable as follows:
 - (1) If the Company has incurred Balloon Indebtedness and there is in effect Commitment Indebtedness with respect to a Credit Facility sufficient to refinance or pay the principal amount of any such Balloon Indebtedness becoming due in each Fiscal Year in which **25%** or more of the original principal amount of such Balloon Indebtedness comes due, such Indebtedness may be deemed to be payable in accordance with the terms of such Commitment Indebtedness.
 - (2) Balloon Indebtedness, in a principal amount not in excess of **25%** of the Unrestricted Net Assets of the Company, may be deemed to be Long-Term Indebtedness payable on a level annual debt service basis over **30** years from the date of issuance or incurrence of such Indebtedness, bearing interest on the unpaid

principal balance at the rate equal to the rate set forth in the *30-year Bond Buyer Revenue Bond Index* most recently published in *The Bond Buyer* (or such other index as set forth and deemed reasonable in a report of a Consultant).

- (3) If the Company delivers an Officer's Certificate to the Master Note Trustee that establishes an amortization schedule for any Balloon Indebtedness, which provides for payments of principal and interest for each Fiscal Year that are sufficient to make any actual payments required to be made in such Fiscal Year by the terms of such Indebtedness; and the Company agrees in such Officer's Certificate that the Company will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between the Company and such bank or trust company, which agreement shall be not unsatisfactory in form and substance to the Master Note Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company), which deposit shall be made prior to any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments, then such Indebtedness may be deemed to be payable in accordance with the terms of such amortization schedule and agreement.
- (b) *Capital Appreciation Indebtedness.* The principal amount of Indebtedness that constitutes "*capital appreciation indebtedness*" (defined below) shall be deemed to be the "*accreted value*" (defined below) thereof as of the relevant date. "*Capital appreciation indebtedness*" means any Long-Term Indebtedness for which interest is payable only at the maturity of such Indebtedness, upon the prepayment or redemption of such Indebtedness before maturity, or upon the conversion of such Indebtedness to Indebtedness with interest payable periodically in installments prior to maturity or prior to prepayment or redemption before maturity. "*Accreted value*" means with respect to any capital appreciation indebtedness (a) as of any "*valuation date*" (defined below), the amount set forth in the Supplemental Master Indenture authorizing such Indebtedness or in the Related Obligation Documents as the value of such Indebtedness on such valuation date, and (b) as of any date other than a valuation date the sum of (i) the accreted value on the next preceding valuation date, and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding valuation date and the denominator of which is the number of days from such preceding valuation date to the next succeeding valuation date, and (B) the difference between the accreted values for such valuation dates. "*Valuation date*" means with respect to any capital appreciation indebtedness the date or dates set forth in the Supplemental Master Indenture relating to such Indebtedness or the Related Obligation Documents on which specific accreted values are assigned to the capital appreciation indebtedness.
- (c) *Finance Leases.* The principal amount of Indebtedness in the form of a Finance Lease shall be deemed to be the amount, as of the date of determination, at which the aggregate "*net rentals*" (defined below) due and to become due under such Finance Lease would be reflected as a liability on the balance sheet of the lessee, and the Debt Service Requirements on a Finance Lease for the period of time for which calculated shall be deemed to be the aggregate amount of net rentals to be payable under such Finance Lease during such period. "*Net rentals*" means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the Finance Lease or surrender of the

Property other than upon termination of the Finance Lease for a default thereunder) payable under such Finance Lease excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Notwithstanding any other provision of this Master Indenture to the contrary, at the option of the Company, for purposes of this Master Indenture and the calculations hereunder: (i) any lease constituting an operating lease under GAAP, or any lease that otherwise would not constitute a finance lease under GAAP, may be excluded from Indebtedness, Long-Term Indebtedness and Debt Service Requirements, (ii) finance leases in an aggregate Outstanding principal amount not greater than 5% of the Revenues of the Company, for the most recent Fiscal Year for which audited financial statements are available, may be excluded from Indebtedness, Long-Term Indebtedness and Debt Service Requirements, (iii) all or any portion of a lease to the extent such lessee's liability for which has been prepaid or subleased, assigned or otherwise assumed by a Person other than such lessee may be excluded from Indebtedness, Long-Term Indebtedness and Debt Service Requirements, (iv) any changes to GAAP for leases may be disregarded, and any relief under GAAP relating to implementation of changes to GAAP for leases may be applied under this Master Indenture to all or any portion of any lease regardless of whether such election has been or will be made in connection with audited financial statements, and (v) any portion of a lease liability representing lessee renewal options that have not been exercised may be excluded from Indebtedness, Long-Term Indebtedness and Debt Service Requirements.

- (d) *Commitment Indebtedness.* No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as the obligation to make payments under the commitment actually rises (and only to the extent of advances actually made under such Commitment Indebtedness). From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Indebtedness shall be deemed to arise when any funding occurs under any such commitment if such funding is immediately repaid and such commitment is reinstated in accordance with its terms, or when any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as existed prior to such renewal.
- (e) *Guaranties.* When calculating the principal and the Debt Service Requirements attributable to a Guaranty that is deemed to be Indebtedness of the Company:
- (1) The principal amount of such Indebtedness shall be deemed to equal the principal amount of the obligation guaranteed by the Company.
 - (2) The Debt Service Requirements on such Indebtedness shall be deemed to be:
 - (A) **0%** of the debt service requirements (calculated in the same manner as Debt Service Requirements of the Company) on the guaranteed obligation, if the Company has not been called upon to make a payment under the Guaranty within the **12** months immediately preceding the date of the calculation, and if the primary obligor's income available for debt service (calculated in the same manner as Net Income Available for Debt Service) for the period of calculation was or is projected or forecasted to be at least

- equal to **200%** of the debt service requirements of the primary obligor (calculated in the same manner as Debt Service Requirements for such period);
- (B) **20%** of the debt service requirements (calculated in the same manner as Debt Service Requirements of the Company) on the guaranteed obligation, if the Company has not been called upon to make a payment under the Guaranty within the **12** months immediately preceding the date of the calculation, and the primary obligor's income available for debt service (calculated in the same manner as Net Income Available for Debt Service) for the period of calculation was or is projected or forecasted to be at least equal to **100%** (but less than **200%**) of the debt service requirements of the primary obligor (calculated in the same manner as Debt Service Requirements for such period); or
 - (C) **100%** of the debt service requirements (calculated in the same manner as Debt Service Requirements) on the guaranteed obligation, if either the Company has made any payment in respect of the debt service requirements on the guaranteed obligation within the **12** months immediately preceding the date of the calculation, or the income available for debt service (calculated in the same manner as Net Income Available for Debt Service) of the primary obligor for the period of calculation was or is projected or forecasted to be less than **100%** of the debt service requirements of the primary obligor (calculated in the same manner as Debt Service Requirements for such period).
- (f) *Variable Rate Indebtedness.* In determining the Debt Service Requirements on any Indebtedness which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Indebtedness and which for any future period of time is not susceptible of precise determination, the interest rate on such Indebtedness for any period prior to the date of calculation or for which the interest rate has been determined shall be the actual interest payable during such period, and for each year in which such Indebtedness is Outstanding and for which the actual interest rate cannot be determined, the interest rate on such Indebtedness for the period of determination shall be deemed to be the rate of interest based on the last **12**-month average of the "*SIFMA Index*" most recently published in *The Bond Buyer* or, at the option of the Company, a different index recommended in writing by a Consultant.
- (g) *Interest Rate Exchange Agreements.* If the Company has entered into an Interest Rate Exchange Agreement with respect to a series of Related Obligations, such Related Obligations shall be deemed to bear interest for the period of time the Interest Rate Exchange Agreement is in effect at a net interest rate which takes into account the interest payments made by the Company with respect to such Related Obligations and the payments received by the Company under such Interest Rate Exchange Agreement; if such net amount is less than zero, such net amount may be credited against other interest coming due in calculating Debt Service Requirements so long as the long-term credit rating of the swap counterparty (or any guarantor thereof) is in one of the **3** highest rating categories of any nationally recognized securities rating agency (without regard to any refinements of

gradation of any rating category by numerical modifier or otherwise) then rating such Related Obligations.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 701. Events of Default.

The term “*Event of Default*,” wherever used in this Master Indenture, means any one of the following events (whatever the reason for such event and whether it is voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- (a) default in the payment of any interest on any Master Note when such interest becomes due and payable and continuance of such default for a period of **10** days; or
- (b) default in the payment of the principal of (or premium, if any, on) any Master Note when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise) and continuance of such default for a period of **10** days; or
- (c) default in the performance, or breach, of any covenant or agreement of the Company in this Master Indenture (other than a covenant or agreement default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of 60 days after there has been given to the Company by the Master Note Trustee or by the Holders of at least 25% in principal amount of the Master Notes Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Company shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or
- (d) any representation or warranty made by the Company in this Master Indenture or in any written statement or certificate furnished to the Master Note Trustee or the purchaser of any Master Note in connection with the sale of any Master Note or Related Obligations or furnished by the Company pursuant to this Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 60 days after there has been given to the Company by the Master Note Trustee or by the Holders of at least 25% in principal amount of the Master Notes Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Company shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

- (e) default in the payment of the principal of, premium, if any, or interest on any Indebtedness other than a Master Note when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided, however, that such default shall not constitute an Event of Default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Company in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness; and provided, further however, a payment default thereunder shall not constitute an Event of Default unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds \$75,000,000; or
- (f) any judgment which is final, writ or warrant of attachment or any similar process shall be entered or filed against the Company or against any Property of the Company and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 60 days; provided, however, that none of the foregoing shall constitute an Event of Default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds the greater of 10% of Book Value of all Property of the Company or 5% of the Revenues of the Company as shown on or derived from the most recent Company Financial Statements; or
- (g) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, or adjudging the Company as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Company under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Company or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or
- (h) the commencement by the Company of a voluntary case, or the Company by it of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the Company of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or
- (i) any material provision of this Master Indenture or any Master Note shall cease to be valid and binding on the Company or the Company shall contest the validity and enforceability of this Master Indenture or any Master Note or the Company shall deny that it has any further liability or obligation under this Master Indenture or any Master Note Outstanding.

Promptly after any officer of the Company may reasonably be deemed to have knowledge of a default hereunder, the Company will deliver to the Master Note Trustee a written notice specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto.

The provisions of subsections (c) and (e) above are subject to the following limitation: If by reason of “force majeure”, the Company is unable in whole or in part to carry out any of its agreements contained herein, the Company shall not be deemed in default under subsections (c) and (e) above during the continuance of such disability. The term “force majeure” includes the following; acts of God; strikes; lockouts or other employee disturbances; acts of public enemies; orders of any kind of the government of the United States of America, the state or states in which the Company is doing business, or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; storms; floods; washouts; droughts; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or similar acts or events (other than financial acts or events) not within the control of the Company. The Company agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreements contained herein.

Section 702. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the Master Note Trustee may, and if requested in writing by the Holders of not less than 25% in principal amount of the Master Notes Outstanding shall, by written notice to the Company (and to the Master Note Trustee, if given by the Noteholders), declare the principal of all the Master Notes and the interest accrued thereon to be due and payable immediately, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Master Notes has been obtained by the Master Note Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Master Notes Outstanding may, by written notice to the Company and the Master Note Trustee, rescind and annul such declaration and its consequences if:

- (a) the Company has deposited with the Master Note Trustee a sum sufficient to pay:
 - (1) all overdue installments of interest on all Master Notes,
 - (2) the principal of (and premium, if any, on) any Master Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Master Notes,
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Master Notes, and
 - (4) all sums paid or advanced by the Master Note Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Note Trustee, its agents and counsel; and

- (b) all other Events of Default, other than the non-payment of the principal of Master Notes which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 709**.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Section 703. Exercise of Remedies by the Master Note Trustee.

Subject to the provisions of **Section 303**, upon the occurrence and continuance of any Event of Default under this Master Indenture, unless the same is waived as provided in this Master Indenture, the Master Note Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Master Indenture or by law:

- (a) *Right to Bring Suit, Etc.* The Master Note Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Master Notes Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Master Indenture, to realize on or to foreclose any of its interests or liens under this Master Indenture, to enforce and compel the performance of the duties and obligations of the Company as set forth in this Master Indenture and to enforce or preserve any other rights or interests of the Master Note Trustee under this Master Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.
- (b) *Exercise of Remedies at Direction of Noteholders.* If requested in writing to do so by the Holders of not less than 25% in principal amount of Master Notes Outstanding and if indemnified as provided in **Section 802(e)**, the Master Note Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Master Note Trustee shall deem most expedient in the interests of the Holders of the Master Notes.
- (c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Note Trustee and of the Noteholders under this Master Indenture, the Master Note Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.
- (d) *Suits to Protect the Trust Estate.* The Master Note Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Master Indenture and to protect its interests and the interests of the Noteholders in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Noteholders or the Master Note Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Noteholders in any judicial proceeding to which the Company is a party and which in the judgment of the Master Note Trustee has a substantial bearing on the interests of the Noteholders.

- (e) *Enforcement Without Possession of Master Notes.* All rights of action under this Master Indenture or any of the Master Notes may be enforced and prosecuted by the Master Note Trustee without the possession of any of the Master Notes or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Master Note Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Note Trustee, its agents and counsel, and subject to the provisions of **Section 707**, be for the equal and ratable benefit of the Holders of the Master Notes in respect of which such judgment has been recovered.
- (f) *Restoration of Positions.* If the Master Note Trustee or any Noteholder has instituted any proceeding to enforce any right or remedy under this Master Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Note Trustee or to such Noteholder, then and in every case the Company, the Master Note Trustee and the Noteholders shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the Master Note Trustee and the Noteholders shall continue as though no such proceeding had been instituted.
- (g) *Foreclose Collateral.* The Master Note Trustee shall have the power to exercise all remedies available to a secured creditor under Article 9 of the Uniform Commercial Code as then in effect in the State of Missouri and may foreclose the lien of any deed of trust, mortgage or other security interest or lien in real property which at such time is part of the Trust Estate.

Section 704. Master Note Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Master Notes or the property of the Company or of such other obligor or their creditors, the Master Note Trustee (irrespective of whether the principal of the Master Notes shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Master Note Trustee shall have made any demand on the Company for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise, to:

- (a) file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Master Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Note Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Note Trustee, its agents and counsel) and of the Noteholders allowed in such judicial proceeding, and
- (b) collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Noteholder to make such payments to the Master Note Trustee, and in the event that the Master Note Trustee shall consent to the making of such payments directly to the Noteholders, to pay to the Master Note Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Note Trustee, its agents and counsel, and any other amounts due the Master Note Trustee under **Section 804**.

Nothing herein contained shall be deemed to authorize the Master Note Trustee to authorize or consent to or accept or adopt on behalf of any Noteholder any plan of reorganization, arrangement, adjustment or composition affecting the Master Notes or the rights of any holder thereof, or to authorize the Master Note Trustee to vote in respect of the claim of any Noteholder in any such proceeding.

Section 705. Limitation on Suits by Noteholders.

No Holder of any Master Note shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Master Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless:

- (a) such Holder has previously given written notice to the Master Note Trustee of a continuing Event of Default;
- (b) the Holders of not less than 25% in principal amount of the Master Notes Outstanding shall have made written request to the Master Note Trustee to institute proceedings in respect of such Event of Default in its own name as Master Note Trustee hereunder;
- (c) such Holder or Holders have offered to the Master Note Trustee indemnity as provided in **Section 802(e)** against the fees, costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Master Note Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (e) no direction inconsistent with such written request has been given to the Master Note Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Master Notes;

it being understood and intended that no one or more Holders of Master Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb or prejudice the lien of this Master Indenture or the rights of any other Holders of Master Notes, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Master Notes.

Notwithstanding the foregoing or any other provision in this Master Indenture, however, the Holder of any Master Note shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Master Note on the respective stated maturities expressed in such Master Note (or, in the case of redemption, on the redemption date) and nothing contained in this Master Indenture shall affect or impair the right of any holder to institute suit for the enforcement of any such payment.

Section 706. Control of Proceedings by Noteholders.

The Holders of a majority in principal amount of the Master Notes Outstanding shall have the right, during the continuance of an Event of Default, to:

- (a) require the Master Note Trustee to proceed to enforce this Master Indenture, either by judicial proceedings for the enforcement of the payment of the Master Notes and the foreclosure of this Master Indenture, or otherwise; and
- (b) direct the time, method and place of conducting any proceeding for any remedy available to the Master Note Trustee, or exercising any trust or power conferred upon the Master Note Trustee under this Master Indenture, provided that:
 - (1) such direction shall not be in conflict with any rule of law or this Master Indenture;
 - (2) the Master Note Trustee may take any other action deemed proper by the Master Note Trustee which is not inconsistent with such direction; and
 - (3) the Master Note Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction (provided that the Master Note Trustee may conclusively rely upon the advice of counsel or an Opinion of Counsel in making such determination).

Section 707. Application of Moneys Collected.

Subject to the provisions of **Section 303**, any moneys collected by the Master Note Trustee pursuant to this Article (after the deductions for payment to the Master Note Trustee of costs and expenses of proceedings resulting in the collection of such moneys, including reasonable attorneys' fees and expenses) together with any other sums then held by the Master Note Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Master Note Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Master Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- First:* To the payment of all undeducted amounts due the Master Note Trustee under **Section 804**.
- Second:* To the payment of the whole amount then due and unpaid upon the Outstanding Master Notes for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Master Note Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Master Notes) on overdue principal (and premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Master Notes, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due.

Third: To the payment of the remainder, if any, to the Company or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Master Note Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Note Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Note Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Note Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Master Note until such Master Note shall be presented to the Master Note Trustee for appropriate endorsement or for cancellation if fully paid.

Section 708. Rights and Remedies Cumulative.

No right or remedy herein conferred upon or reserved to the Master Note Trustee or to the Noteholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

No delay or omission of the Master Note Trustee or of any holder of any Master Note to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Note Trustee or to the Noteholders may be exercised from time to time, and as often as may be deemed expedient, by the Master Note Trustee or by the Noteholders, as the case may be.

Section 709. Waiver of Past Defaults.

Before any judgment or decree for payment of money due has been obtained by the Master Note Trustee as provided in this Article, the Holders of a majority in principal amount of the Master Notes Outstanding may, by written notice delivered to the Master Note Trustee and the Company, on behalf of the Holders of all the Master Notes waive any past default hereunder and its consequences, except a default, (a) in the payment of the principal of (or premium, if any) or interest on any Master Note, or (b) in respect of a covenant or provision hereof which under **Article IX** cannot be modified or amended without the consent of the Holder of each Outstanding Master Note affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Master Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

Section 710. Advances by Master Note Trustee.

If the Company shall fail to make any payment or perform any of its covenants in this Master Indenture, the Master Note Trustee may, at any time and from time to time, use and apply any moneys held

by it under this Master Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Company, but shall in no instance be obligated to do the same. All moneys so used or advanced by the Master Note Trustee, together with interest at the Master Note Trustee's announced prime rate per annum, shall be repaid by the Company upon demand and such advances shall be secured under this Master Indenture prior to the Master Notes. For the repayment of all such advances the Master Note Trustee shall have the right to use and apply any moneys at any time held by it under this Master Indenture but no such use of moneys or advance shall relieve the Company from any default hereunder.

ARTICLE VIII

MASTER NOTE TRUSTEE

Section 801. Acceptance of Trusts; Certain Duties and Responsibilities.

The Master Note Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the following terms and conditions:

- (a) Except during the continuance of an Event of Default under this Master Indenture:
 - (1) the Master Note Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenants or obligations shall be read into this Master Indenture against the Master Note Trustee; and
 - (2) in the absence of bad faith on its part, the Master Note Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Master Note Trustee and conforming to the requirements of this Master Indenture.
- (b) If an Event of Default has occurred and is continuing, the Master Note Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.
- (c) No provision of this Master Indenture shall be construed to relieve the Master Note Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:
 - (1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;
 - (2) the Master Note Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Master Note Trustee, unless it shall be proved that the Master Note Trustee was negligent in ascertaining the pertinent facts;
 - (3) the Master Note Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Master Notes relating

to the time, method and place of conducting any proceeding for any remedy available to the Master Note Trustee, or exercising any trust or power conferred upon the Master Note Trustee, under this Master Indenture; and

- (4) no provision of this Master Indenture shall require the Master Note Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
- (d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Note Trustee shall be subject to the provisions of this Section.

Section 802. Certain Rights of Master Note Trustee.

Except as otherwise provided in **Section 801**:

- (a) The Master Note Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (b) The Master Note Trustee shall be entitled to rely upon an Officer's Certificate as to the sufficiency of any request or direction of the Company mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the Governing Board of the Company has been duly adopted, and is in full force and effect.
- (c) Whenever in the administration of this Master Indenture the Master Note Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Note Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate.
- (d) The Master Note Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Master Note Trustee hereunder in good faith and in reliance thereon.
- (e) The Master Note Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture, unless such Noteholders shall have offered to the Master Note Trustee reasonable security or indemnity against the fees, costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.
- (f) The Master Note Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Master Note Trustee, in its discretion, may make such further inquiry or investigation into

such facts or matters as it may see fit, and, if the Master Note Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney.

- (g) The Master Note Trustee assumes no responsibility for the correctness of the recitals contained in this Master Indenture and in the Master Notes, except the certificate of authentication on the Master Notes. The Master Note Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Master Indenture or of the Master Notes. The Master Note Trustee shall not be accountable for the use or application by the Company of any of the Master Notes or the proceeds thereof or of any money paid to or upon the order of the Company under any provision of this Master Indenture.
- (h) The Master Note Trustee, in its individual or any other capacity, may become the owner or pledgee of Master Notes and may otherwise deal with the Company with the same rights it would have if it were not Master Note Trustee.
- (i) All money received by the Master Note Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Master Note Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Master Indenture. The Master Note Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise provided in this Master Indenture.
- (j) The Master Note Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Master Note Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.
- (k) The permissive right of the Master Note Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Note Trustee shall not be answerable for other than its negligence or willful misconduct.
- (l) The Master Note Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to any Master Notes or Related Obligations, except for any information provided by the Master Note Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with any Master Notes or Related Obligations.
- (m) The Master Note Trustee shall not be required to advance any of its own funds or otherwise incur any personal financial liabilities in the performance of its obligations hereunder unless it has received assurances satisfactory to it that it will be repaid.
- (n) The Master Note Trustee is not responsible for effecting, maintaining or renewing any policies of insurance or for any representations regarding the sufficiency of any policy of insurance.

- (o) The Master Note Trustee shall not be responsible for monitoring or reviewing the Company's insurance or be obligated to file claims or proofs of loss in the case of insurance, or to pay taxes or assessments.
- (p) Except as expressly provided herein, the Master Note Trustee shall have no duty to monitor the Company's compliance with the terms of and makes no representations as to the validity or sufficiency of this Master Indenture (except as to the Master Note Trustee), the Related Obligation Documents, the Master Notes or Related Obligations, assumes no responsibility for the correctness of the same, shall incur no responsibility in respect to such validity or sufficiency, and its receipt of any report, document, policy or other certificate thereunder shall not impose a duty to review and shall not constitute constructive notice of any information contained therein or determinable from information contained therein.
- (q) Notwithstanding any other provision of this Master Indenture to the contrary, any provision relating to the conduct of the Master Note Trustee that intended to provide authority to act, the right to payment of fees and expenses, or the protection, immunity and indemnification to the Master Note Trustee, shall be interpreted to include and apply to any action or omission of the Master Note Trustee, and shall extend to and apply to any actions or omissions of the Master Note Trustee under or with respect to the Loan Agreement, or any other documents, instruments or agreements relating to the Master Notes or Related Obligations.
- (r) The Master Note Trustee shall have no duty to review or analyze any financial statements or other information filed with the Master Note Trustee by any party. The Master Note Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner therein.
- (s) The Master Note Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of the Master Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Master Note Trustee, or exercising any trust or power conferred upon the Master Note Trustee, under this Master Indenture, the Loan Agreement or any other documents relating to the Master Notes or Related Obligations.
- (t) The Master Note Trustee shall have the right to accept and act upon instructions or directions given pursuant to this Master Indenture and the other documents relating to the Master Notes or Related Obligations using Electronic Means (defined below); provided, however, that the Company shall provide to the Master Note Trustee an incumbency certificate listing designated persons with the authority to provide such instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Company elects to give the Master Note Trustee instructions or directions using Electronic Means and the Master Note Trustee in its discretion elects to act upon such instructions or directions, the Master Note Trustee's understanding of such instructions or directions shall be deemed controlling. The Company understands and agrees that the Master Note Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Master Note Trustee shall conclusively presume that directions or instructions that have been sent from his or her normal account by an Authorized Officer listed on the incumbency certificate provided to the Master Note Trustee have been sent by such Authorized Officer. The Company is responsible for

ensuring that only Authorized Officers transmit such directions or instructions to the Master Note Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Master Note Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions or directions notwithstanding that such instructions or directions conflict or are inconsistent with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Master Note Trustee, including without limitation the risk of the Master Note Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Master Note Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (iv) to notify the Master Note Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Note Trustee as available for use in connection with its services hereunder.

- (u) In no event shall the Master Note Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder or under any other documents relating to any Master Notes or Related Obligations arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, pandemics and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Master Note Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.
- (v) Anything in this Master Indenture or the other documents relating to any Master Notes or Related Obligations notwithstanding, in no event shall the Master Note Trustee be liable for special, indirect, exemplary, incidental, punitive or consequential or other similar loss or damage of any kind whatsoever (including but not limited to loss of profit), even if the Master Note Trustee has been advised as to the likelihood or possibility of such loss or damage and regardless of the form of action.

Section 803. Notice of Defaults.

The Master Note Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Company to cause to be made any of the payments to the Master Note Trustee required to be made by **Section 301**, unless the Master Note Trustee shall be specifically notified in writing of such default by the Company, by the annual officer's compliance certificate required by **Section 508**, by any Related Obligation Issuer, by any Related Obligation Trustee, or by the Holders of at least 25% in principal amount of all Master Notes Outstanding, and in the absence of such notice so delivered, the Master Note Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any default hereunder of which the Master Note Trustee is required to take

notice or has received notice as provided in this Section, the Master Note Trustee shall give written notice of such default to all Holders of Master Notes as shown on the note register maintained by the Master Note Trustee, unless such default is cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Master Note, the Master Note Trustee will be protected in withholding such notice if and so long as the Master Note Trustee in good faith determines that the withholding of such notice is in the interests of the Noteholders. For the purpose of this Section, the term “*default*” means any event which is, or after notice or lapse of time or both would become, an Event of Default under this Master Indenture.

Section 804. Compensation and Reimbursement.

The Company shall:

- (a) pay to the Master Note Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (b) except as otherwise expressly provided herein, reimburse the Master Note Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Note Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Master Note Trustee’s willful misconduct or bad faith; and
- (c) indemnify the Master Note Trustee for, and hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

All such payments and reimbursements shall be made with interest at the rate of interest per annum equal to the prime rate announced from time to time by the Master Note Trustee.

The Master Note Trustee shall promptly notify the Company in writing of any claim or action brought against the Master Note Trustee in respect of which indemnity may be sought against the Company, setting forth the particulars of such claim or action (including reasonable attorneys’ fees and expenses and the reasonable allocated costs and expenses of in-house counsel and legal staff), and the Company will assume the defense thereof, including the employment of counsel satisfactory to the Master Note Trustee and the payment of all expenses. The Master Note Trustee may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Company unless the Master Note Trustee in good faith determines that a conflict of interest exists or counsel fails to actively defend such action or protect the interests of the Master Note Trustee and the Noteholders.

As security for the performance of the obligations of the Company under this Section the Master Note Trustee shall be secured under this Master Indenture by a lien on the Trust Estate prior to the Master Notes, and for the payment of such compensation, expenses, reimbursements and indemnity the Master Note Trustee shall have the right to use and apply any trust moneys held by it under **Article VII**.

The indemnifications set forth herein shall survive the resignation or removal of the Master Note Trustee and the termination of this Master Indenture.

Section 805. Corporate Trustee Required; Eligibility.

There shall at all times be a Master Note Trustee under this Master Indenture which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, and having a combined capital and surplus of at least \$100,000,000, or must provide a guaranty of the full and prompt performance by the Master Note Trustee of its obligations under this Master Indenture and any other agreements made in connection with the Master Notes by a guarantor with such consolidated capital and surplus. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Note Trustee ceases to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 806. Resignation and Removal of Master Note Trustee.

The Master Note Trustee may resign or may be removed as follows:

- (a) The Master Note Trustee may resign at any time by giving written notice thereof to the Company and to each Holder of Master Notes Outstanding as shown by the note register required by this Master Indenture to be kept at the office of the Master Note Trustee. If an instrument of acceptance by a successor Master Note Trustee is not delivered to the Master Note Trustee within 30 days after the giving of such notice of resignation, the resigning Master Note Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Note Trustee.
- (b) If the Master Note Trustee has or shall acquire any conflicting interest (as defined in the Trust Indenture Act of 1939, as amended), it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Company (so long as the Company is not in default under this Master Indenture) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in subsection (a).
- (c) The Master Note Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by the Holders of a majority in principal amount of the Outstanding Master Notes, delivered to the Master Note Trustee and to the Company.
- (d) The Master Note Trustee may be removed at any time (so long as no Event of Default has occurred and is continuing under this Master Indenture) by an instrument in writing signed by the Company and delivered to the Master Note Trustee and to the Holders of all Master Notes Outstanding under this Master Indenture.
- (e) If at any time:

- (1) the Master Note Trustee shall fail to comply with subsection (b) after written request therefor by the Company or by any Noteholder,
- (2) the Master Note Trustee shall cease to be eligible under **Section 805** and shall fail to resign after written request therefor by the Company or by any such Noteholder; or
- (3) the Master Note Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Note Trustee or of its property shall be appointed or any public officer shall take charge or control of the Master Note Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case (A) the Company may remove the Master Note Trustee, or (B) the Company or any Noteholder may petition any court of competent jurisdiction for the removal of the Master Note Trustee and the appointment of a successor Master Note Trustee.

The Master Note Trustee shall give written notice of each resignation and each removal of the Master Note Trustee and each appointment of a successor Master Note Trustee to the Holders of all Master Notes as their names and addresses appear in the note register maintained by the Master Note Trustee. Each notice shall include the name of the successor Master Note Trustee and the address of its corporate trust office or other designated office.

No resignation or removal of the Master Note Trustee and no appointment of a successor Master Note Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Master Note Trustee under **Section 808**.

Section 807. Appointment of Successor Master Note Trustee.

If the Master Note Trustee resigns, is removed or becomes incapable of acting, or if a vacancy occurs in the office of Master Note Trustee for any cause, the Company (so long as the Company is not in default under this Master Indenture), or the Holders of a majority in principal amount of Master Notes Outstanding (if the Company is in default under this Master Indenture), by an instrument or concurrent instruments in writing delivered to the Company and the retiring Master Note Trustee, shall promptly appoint a successor Master Note Trustee. If all or substantially all of the Trust Estate is in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Master Note Trustee is so appointed by the Noteholders. If, within **30** days after such resignation, removal or incapability or the occurrence of such vacancy, a successor Master Note Trustee is appointed in the manner provided in this Master Indenture, the successor Master Note Trustee so appointed will, forthwith upon its acceptance of such appointment, become the successor Master Note Trustee and supersede the successor Master Note Trustee appointed by the Company or by such receiver or trustee. If no successor Master Note Trustee is so appointed and accepted appointment in the manner provided in this Master Indenture, any Noteholder may petition any court of competent jurisdiction for the appointment of a successor Master Note Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court will immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Note Trustee appointed pursuant to the provisions of this Section must be a bank or trust company in good

standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 808. Acceptance of Appointment by Successor.

Every successor Master Note Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Master Note Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Note Trustee shall become effective and such successor Master Note Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Master Note Trustee; but, on request of the Company or the successor Master Note Trustee, such retiring Master Note Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Master Note Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Master Note Trustee, and shall duly assign, transfer and deliver to such successor Master Note Trustee all property and money held by such retiring Master Note Trustee hereunder, subject nevertheless to its lien, if any, provided for in **Section 804**. Upon request of any such successor Master Note Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Note Trustee all such estates, properties, rights, powers and trusts.

No successor Master Note Trustee shall accept its appointment unless at the time of such acceptance such successor Master Note Trustee shall be qualified and eligible under this Article.

Section 809. Merger, Conversion, Consolidation and Succession to Business of Master Note Trustee.

Any corporation or association into which the Master Note Trustee may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Master Note Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Master Note Trustee, shall be the successor of the Master Note Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Master Notes shall have been authenticated, but not delivered, by the Master Note Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Master Note Trustee may adopt such authentication and deliver the Master Notes so authenticated with the same effect as if such successor Master Note Trustee had itself authenticated such Master Notes.

Section 810. Co-Master Note Trustees and Separate Master Note Trustees.

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise of any of the powers, rights or remedies herein granted to the Master Note Trustee, or any other action which may be desirable or necessary in connection therewith, the Master Note Trustee shall have power to appoint, and, upon the written request of the Master Note Trustee or of the Holders of at least 25% in principal amount of the Master Notes Outstanding, the Company shall for such purpose join with the Master Note Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Master Note Trustee either to act as co-trustee, jointly with the Master Note Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such

property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default under this Master Indenture has occurred and is continuing, the Master Note Trustee alone shall have power to make such appointment.

Should any written instrument from the Company be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) The Master Notes shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Master Note Trustee hereunder, shall be exercised solely, by the Master Note Trustee.
- (b) The rights, powers, duties and obligations hereby conferred or imposed upon the Master Note Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Master Note Trustee or by the Master Note Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Master Note Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.
- (c) The Master Note Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default under this Master Indenture has occurred and is continuing, the Master Note Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Master Note Trustee, the Company shall join with the Master Note Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.
- (d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Master Note Trustee, or any other such trustee hereunder.
- (e) Any request, demand, authorization, direction, notice, consent, waiver or other action of Noteholders delivered to the Master Note Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Section 811. Designation of Paying Agents.

The Master Note Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Master Notes. The Company may, in its discretion, cause the necessary arrangements to be made through the Master Note Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of principal of, premium, if any, and interest on any Master Notes, or at the corporate trust office or other designated office of said alternate Paying Agents. In the event of a change in the office of Master Note Trustee, the predecessor Master Note Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, premium, if any, and interest on the Master Notes, and the successor Master Note Trustee shall become such Paying Agent unless a separate Paying Agent or Agents are appointed by the Company in connection with the appointment of any successor Master Note Trustee.

Section 812. Maintenance of Records.

The Master Note Trustee shall maintain records with respect to any and all moneys or investments held by the Master Note Trustee pursuant to the provisions of this Master Indenture and shall provide periodic statements with respect thereto to the Company.

ARTICLE IX

SUPPLEMENTAL MASTER INDENTURES

Section 901. Supplemental Master Indentures without Consent of Noteholders.

Without the consent of or notice to the Holders of any Master Notes, the Company (on behalf of the Company) and the Master Note Trustee may from time to time enter into one or more Supplemental Master Indentures for any of the following purposes:

- (a) to correct or amplify the description of any property at any time subject to the lien of this Master Indenture, or better to assure, convey and confirm unto the Master Note Trustee any property subject or required to be subjected to the lien of this Master Indenture, or to subject to the lien of this Master Indenture additional property;
- (b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Master Notes, as set forth in this Master Indenture, additional conditions, limitations and restrictions thereafter to be observed;
- (c) to authorize the issuance of Master Notes and make such other provisions as provided in **Section 201**;
- (d) to modify or eliminate any of the terms of this Master Indenture; provided, that:
 - (1) such Supplemental Master Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Master Note Outstanding created prior to the execution of such Supplemental Master Indenture; and

- (2) the Master Note Trustee may, in its discretion, decline to enter into any such Supplemental Master Indenture which, in its opinion, may not afford adequate protection to the Master Note Trustee when the same becomes operative;
- (e) to evidence the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company contained in this Master Indenture and in the Master Notes;
- (f) to add to the covenants of the Company or to the rights, powers and remedies of the Master Note Trustee for the benefit of the Holders of all or any series of Master Notes or to surrender any right or power conferred in this Master Indenture upon the Company;
- (g) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other provisions, with respect to matters or questions arising under this Master Indenture, which shall not be inconsistent with the provisions of this Master Indenture, provided such action, in the judgment of the Master Note Trustee (provided that the Master Note Trustee may conclusively rely upon the advice of counsel or an Opinion of Counsel in making such determination), shall not materially adversely affect the interests of the Holders of the Master Notes;
- (h) to modify, eliminate or add to the provisions of this Master Indenture to such extent as shall be necessary to effect the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, or to permit the qualification of any Master Notes for sale under the securities laws of the United States of America or any state of the United States of America;
- (i) to make any change which, in the judgment of the Master Note Trustee (provided that the Master Note Trustee may conclusively rely upon the advice of counsel or an Opinion of Counsel in making such determination), does not materially adversely affect the Holders of any of the Master Notes and, in the opinion of each Related Obligation Trustee (given in accordance with the provisions of the Related Obligation Documents), does not materially adversely affect the Owners of the Related Obligations with respect to which it acts as trustee, including without limitation any modification, amendment or supplement to this Master Indenture or any Supplemental Master Indenture in such a manner as to establish or maintain the exclusion of interest on any Related Obligations under a Related Obligation Document from federal gross income under applicable provisions of the Internal Revenue Code.

Section 902. Supplemental Master Indentures with Consent of Noteholders.

With the consent of the Holders of not less than a majority in principal amount of all Master Notes then Outstanding affected by such Supplemental Master Indenture, the Company (on behalf of the Company) and the Master Note Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Holders of the Master Notes under this Master Indenture; provided, however, that no such Supplemental Master Indenture shall, without the consent of the Holder of each Outstanding Master Note affected thereby:

- (a) change the stated maturity of the principal of, or any installment of interest on, any Master Note, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Master Note, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);
- (b) reduce the percentage in principal amount of the Outstanding Master Notes, the consent of whose Holders is required for any such Supplemental Master Indenture, or the consent of whose Holders is required for any waiver provided for in this Master Indenture of compliance with certain provisions of this Master Indenture or certain defaults hereunder and their consequences;
- (c) modify the obligation of the Company to make payment on or provide funds for the payment of any Master Note;
- (d) modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of this Master Indenture cannot be modified or waived without the consent of the Holder of each Master Note affected thereby;
or
- (e) permit the creation of any lien ranking prior to or on a parity with the lien of this Master Indenture with respect to any of the Trust Estate or terminate the lien of this Master Indenture on any property at any time subject hereto or deprive the Holder of any Master Note of the security afforded by the lien of this Master Indenture.

The Master Note Trustee may in its discretion determine whether or not any Master Notes would be affected by any Supplemental Master Indenture and any such determination shall be conclusive upon the Holders of all Master Notes, whether theretofore or thereafter authenticated and delivered hereunder, and may conclusively rely upon the advice of counsel or an Opinion of Counsel in making such determination. The Master Note Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of Noteholders under this Section to approve the particular form of any proposed Supplemental Master Indenture, but it shall be sufficient if such Noteholders shall approve the substance thereof.

If at any time the Company shall request the Master Note Trustee to enter into any such Supplemental Master Indenture for any of the purposes of this Section, the Master Note Trustee shall, upon being satisfactorily indemnified with respect to expenses, mail notice of the proposed execution of such Supplemental Master Indenture by first class mail postage prepaid to the Holders of all Master Notes or, in case less than all of the Master Notes are affected thereby, of the Master Notes affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the corporate trust office or other designated office of the Master Note Trustee for inspection by all Noteholders. The Master Note Trustee shall not, however, be subject to any liability to any Noteholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided in this Section. If the requisite Noteholder consent required as described above is obtained, no Holder of any Master Note shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Note

Trustee or the Company from executing the same or from taking any action pursuant to the provisions thereof.

Section 903. Execution of Supplemental Master Indentures.

In executing, or accepting the additional trusts created by, any Supplemental Master Indenture permitted by this Article or the modification thereby of the trusts created by this Master Indenture, the Master Note Trustee shall be entitled to receive, and, subject to **Section 801**, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Master Indenture is authorized or permitted by this Master Indenture. The Master Note Trustee may, but shall not, except to the extent required in the case of Supplemental Master Indenture entered into under **Section 901(h)**, be obligated to, enter into any such Supplemental Master Indenture which affects the Master Note Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

Section 904. Effect of Supplemental Master Indentures.

Upon the execution of any Supplemental Master Indenture under this Article, this Master Indenture shall be modified in accordance therewith and such Supplemental Master Indenture shall form a part of this Master Indenture for all purposes; and every Holder of Master Notes theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. Reference in Master Notes to Supplemental Master Indentures.

Master Notes authenticated and delivered after the execution of any Supplemental Master Indenture pursuant to this Article may, and if required by the Master Note Trustee shall, bear a notation as to any matter provided for in such Supplemental Master Indenture. If the Company shall so determine, new Master Notes so modified as to conform, in the opinion of the Company, to any such Supplemental Master Indenture may be prepared and executed by the Company and authenticated and delivered by the Master Note Trustee in exchange for Outstanding Master Notes.

ARTICLE X

SATISFACTION AND DISCHARGE

Section 1001. Payment, Discharge and Defeasance of Master Notes.

The Master Notes of a particular series or a portion of such series (subject to **Section 1003**) will be deemed to be paid and discharged and no longer Outstanding under this Master Indenture and will cease to be entitled to any lien, benefit or security under this Master Indenture if the Company has paid or provided for the payment of the Indebtedness evidenced by such Master Notes in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including premium, if any) and interest on such Master Notes, as and when the same become due and payable;
- (b) by delivering such Master Notes to the Master Note Trustee for cancellation; or

- (c) by depositing with the Master Note Trustee or other Paying Agent, in trust, moneys and Escrowed Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the Indebtedness evidenced by such Master Notes at or before their respective maturity dates (including the payment of the principal of, premium, if any, and interest payable on such Master Notes to the maturity or redemption date thereof), provided that, if any such Master Notes are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of this Master Indenture or provisions satisfactory to the Master Note Trustee are made for the giving of such notice.

The foregoing notwithstanding, the liability of the Company in respect of such Master Notes will continue, but the Holders thereof will thereafter be entitled to payment only out of the moneys or Escrowed Obligations deposited with the Master Note Trustee as aforesaid. Moneys so deposited with the Master Note Trustee pursuant to this Section will not be a part of the Trust Estate but will constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys shall be applied by the Master Note Trustee to the payment (either directly or through any Paying Agent, as the Master Note Trustee may determine) to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys have been deposited with the Master Note Trustee.

Section 1002. Satisfaction and Discharge of Master Indenture.

This Master Indenture and the lien, rights and interests created hereby will cease, determine and become null and void (subject to **Section 1003** and except as to any surviving rights of transfer or exchange of Master Notes herein provided for) if the following conditions are met:

- (a) The principal of, premium, if any, and interest on all Master Notes is paid or is deemed to be paid and discharged by meeting the conditions of **Section 1001**.
- (b) The Company has paid or caused to be paid all other sums payable under this Master Indenture by the Company with respect to such Master Notes.

Thereupon the Master Note Trustee, upon written request of the Company, and upon receipt by the Master Note Trustee of an Officer's Certificate and an Opinion of Counsel, each to the effect that all conditions precedent to the satisfaction and discharge of this Master Indenture have been complied with, shall forthwith execute proper instruments acknowledging satisfaction and discharge of this Master Indenture and the lien hereof. The satisfaction and discharge of this Master Indenture shall be without prejudice to the rights of the Master Note Trustee to charge and be reimbursed by the Company for any expenditures which it may thereafter incur in connection herewith.

Any moneys, funds, securities, or other property remaining on deposit under this Master Indenture (other than said Escrowed Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Master Indenture, forthwith be transferred, paid over and distributed to the Company.

Section 1003. Satisfaction of Related Obligations.

The provisions of **Section 1001** and **Section 1002** notwithstanding, any Master Note which secures a Related Obligation will not be deemed paid and will continue to be entitled to the lien, benefit and security

under this Master Indenture unless and until such Related Obligation shall cease to be entitled to any lien, benefit or security under the Related Obligation Document pursuant to the provisions thereof.

ARTICLE XI

NOTICES, CONSENTS AND OTHER ACTS

Section 1101. Notices.

Except as otherwise provided herein, it will be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Master Indenture to be made, given or furnished to or filed with the following Persons, if the same shall be delivered in person or duly mailed by certified, registered or first class mail, postage prepaid, at the following addresses:

- (a) To the Master Note Trustee at:

U.S. Bank Trust Company, National Association,
Corporate Trust Services
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Attention: Corporate Trust Services

- (b) To the Company at:

Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
Attention: General Counsel

- (c) To the Holders of Master Notes:

At the addresses of the respective Holders as shown on the note register maintained by the Master Note Trustee under this Master Indenture.

- (d) To any Related Obligation Issuer, Related Obligation Trustee or other party involved with a series of Related Obligations:

At the address of such party set forth in the Related Obligation Documents.

- (e) To the Senior Trustee at:

U.S. Bank Trust Company, National Association,
Corporate Trust Services
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Attention: Corporate Trust Services

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof made with the approval of the Master Note Trustee will constitute a sufficient notice.

If any notice to Noteholders is to be given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders. Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Master Note Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

All notices, approvals, consents, requests and any communications hereunder must be in writing, provided that any communication sent to Master Note Trustee hereunder must be in writing in English in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Master Note Trustee). Electronic signatures believed by the Master Note Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. The Company agrees to assume all risks arising out of the use of its use of electronic signatures, including without limitation the risk of Master Note Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Master Note Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Master Note Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 1102. Acts of Noteholders.

Any notice, request, demand, authorization, direction, consent, waiver or other action provided by this Master Indenture to be given or taken by Noteholders may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such Noteholders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Note Trustee, and, where it is hereby expressly required, to the Company. Proof of execution of any such instrument or of a writing appointing any such agent, or of the ownership of Master Notes, shall be sufficient for any purpose of this Master Indenture and conclusive in favor of the Company and the Master Note Trustee, if made in the following manner:

- (a) The fact and date of the execution by any Person of any such instrument or writing may be proved by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof, or by the affidavit of a witness of such execution. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.
- (b) The fact and date of execution of any such instrument or writing and the authority of any Person executing the same may also be proved in any other manner which the Master Note Trustee deems sufficient; and the Master Note Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

- (c) The ownership of Master Notes shall be proved by the note register maintained by the Master Note Trustee.

In determining whether the Holders of the requisite principal amount of Master Notes Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Master Notes owned by the Company or any Affiliate of the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Note Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Master Notes which the Master Note Trustee knows to be so owned shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the Holder of any Master Note shall bind every future Holder of the same Master Note and the Holder of every Master Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Note Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Master Note.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Further Assurances.

The Company shall do, execute, acknowledge and deliver, all such further acts, financing statements, conveyances, pledges, assignments, transfers and assurances as the Master Note Trustee shall require for the better assuring, assigning and confirming unto the Master Note Trustee, the lien and security interest granted in the Trust Estate and accomplishing the purposes of this Master Indenture.

Section 1202. Immunity of Officers, Employees, Members and Agents.

No recourse shall be had for the payment of the principal of or premium or interest on any of the Master Notes or for any claim based thereon or upon any obligation, covenant or agreement contained in this Master Indenture against any past, present or future officer, director, employee, member or agent of the Company, either directly or through the Company, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, employees, members or agents is hereby expressly waived and released as a condition of and consideration for the execution of this Master Indenture and the issuance of the Master Notes.

Section 1203. Benefit of Master Indenture.

This Master Indenture shall inure to the benefit of and shall be binding upon the Company and the Master Note Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. Nothing in this Master Indenture or in the Master Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any separate trustee or co-trustee appointed under **Section 810** and the Holders of Outstanding Master Notes, any benefit or any legal or equitable right, remedy or claim under this Master Indenture.

Section 1204. Electronic Transactions.

The transaction described herein may be conducted and related documents may be sent, received and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1205. Severability.

If any provision in this Master Indenture or in the Master Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1206. Execution in Counterparts.

This Master Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

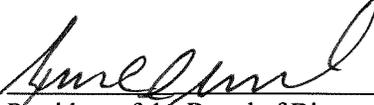
Section 1207. Governing Law.

This Master Indenture shall be governed by and construed in accordance with the applicable laws of the State of Missouri.

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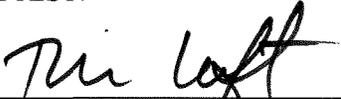
IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed and attested by their duly authorized officers, as of the day and year first above written.

MISSOURI-AMERICAN WATER COMPANY



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Master Note Trustee

By: 
Title: Vice President

**EXHIBIT A-1
TO MASTER TRUST INDENTURE**

[FORM OF MASTER INDENTURE NOTE]

**THIS MASTER NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED**

No. R-[]

Principal Amount \$[]

**MISSOURI-AMERICAN WATER COMPANY
MASTER INDENTURE NOTE
SERIES []**

Final Maturity Date

Interest Rate

Date of Master Note

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: [] **DOLLARS**

MISSOURI-AMERICAN WATER COMPANY, a Missouri corporation (the "*Company*"), for value received, promises to pay to the order of the Registered Holder shown above, or registered assigns (the "[Related Bond Issuer][Lender]")

[the principal amount shown above on and prior to the final maturity date shown above, and earlier upon redemption in whole or in part of the Related Bonds described herein, in the amounts and on the dates as set forth in the hereinafter referred to Related Bond Documents, and to pay to the registered holder interest on the unpaid principal balance hereof from the date of this Master Note to the final maturity date or the redemption date at the rates of interest on the hereinafter described Related Bonds, until this Master Note is paid.]

[the principal sum equal to the lesser of the principal amount shown above and the amounts owed under the hereinafter referred to Loan Agreement, together with interest on the principal amount of this Master Note from time to time outstanding and other amounts (including without limitation all fees, expenses and indemnities) due and owing to the Lender under the Loan Agreement, in the manner and on the dates specified in the Loan Agreement.]

Time, Method and Place of Payment. The principal hereof, redemption premium, if any, and interest hereon shall be payable at the times and in the amounts as provided in the [Related Bond Documents][Loan Agreement] described herein. The last such installment shall be in an amount sufficient to discharge all unpaid principal of, redemption premium, if any, and accrued interest on this Master Note and all other amounts due hereunder in full. The Company shall receive certain credits against its required payments on this Master Note as specified in the [Related Bond Documents][Loan Agreement] and the hereinafter referred to Supplemental Master Trust Indenture No. _____. The payments on this Master Note

shall be made in lawful currency of the United States of America by depositing the same with the hereinafter referred to [Related Bond Trustee][Lender], or its designee, by check, draft or wire transfer in immediately available funds, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payments to the hereinafter referred to Master Note Trustee as provided in the Master Indenture. The obligation evidenced by this Master Note shall terminate only when payment in full of the principal hereof, redemption premium, if any, and interest hereon has been made or duly provided for in accordance with the Master Indenture and the [Related Bond Documents][Loan Agreement].

Authorization of Master Note. This Master Note represents the duly authorized Master Note of the Company, in the principal amount stated above, designated as “Master Indenture Note (_____), Series _____” (this Master Note, together with all other Master Notes issued and secured under the Master Indenture, referred to collectively as the “Master Notes”) issued under and pursuant to the Master Trust Indenture dated as of March 1, 2022, as amended and supplemented by Supplemental Master Trust Indenture No. _____, dated as of _____, _____, among the Company, _____ and U.S. Bank Trust Company, National Association, as trustee (the “Master Note Trustee”) (said Master Trust Indenture, as so supplemented and amended, being herein called the “Master Indenture”). This Master Note is issued for the purpose of securing the obligations of the Company under

[a [Financing Agreement] dated as of _____, _____, (the “[Financing Agreement]”) between the Company and _____ (the “Related Bond Issuer”) in connection with the issuance and sale of revenue bonds of the Related Bond Issuer designated “_____ Revenue Bonds (Missouri-American Water Company), Series _____” (the “Related Bonds”), under a Bond Trust Indenture dated as of _____, _____, between the Related Bond Issuer and _____, as trustee (the “Related Bond Trustee”) (said [Financing Agreement] and Bond Trust Indenture being herein referred to as the “Related Bond Documents”).]

[a Loan Agreement dated as of _____, _____ (the “Loan Agreement”), between the Company and the Lender, pursuant to which the Lender has agreed to make loans to or advance funds on behalf of the Company in the manner and on the dates specified in the Loan Agreement.]

Security for Master Notes. All Master Notes issued and Outstanding under the Master Indenture are equally and ratably secured by the Master Indenture.

The Company agrees under the Master Indenture to be liable on all Master Notes, including this Master Note, issued under the Master Indenture. Under the Master Indenture the Company may issue additional Master Notes from time to time, and if issued, such additional Master Notes will rank *pari passu* with this Master Note and all other Master Notes issued under the Master Indenture, except as otherwise provided in the Master Indenture.

Copies of the Master Indenture and the [Related Bond Documents][Loan Agreement] are on file with the Master Note Trustee and reference is made to the Master Indenture and the [Related Bond Documents][Loan Agreement] for the provisions with respect to the nature and extent of the security for and the rights of the registered holders of this Master Note, the terms and conditions on which this Master Note is issued and the rights, duties and obligations of the Company and the Master Note Trustee under the Master Indenture, to all of which the registered holder hereof, by acceptance of this Master Note, assents. The Master Indenture may be modified, amended or supplemented to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture and the [Related Bond Documents][Loan Agreement].

Redemption Prior to Maturity. The principal of this Master Note is subject to prepayment in the manner, under the circumstances, upon such notice and at the prices set forth in the Master Indenture and the [Related Bond Documents][Loan Agreement].

In the event this Master Note is prepaid as aforesaid, notice thereof identifying the portion of this Master Note to be prepaid, unless waived, will be given by mailing a copy of the redemption notice by first class mail to the registered holder hereof, at the address shown on the registration books, at the times provided in the Master Indenture. This Master Note or the portion hereof so called for prepayment will cease to bear interest on the specified prepayment date, provided funds for its prepayment are on deposit at the place of payment at that time, and this Master Note or such portion will no longer be protected by the Master Indenture and will not be deemed to be Outstanding under the provisions of the Master Indenture.

Advance Defeasance of Master Note. This Master Note is subject to advance defeasance as provided in the Master Indenture if the Company deposits with the Master Note Trustee or other institution with trust powers cash and/or Escrowed Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge this Master Note Outstanding under the Master Indenture at or before its maturity date. The Company shall remain the obligor on this Master Note, but the registered holder hereof will be entitled to payment solely out of such cash and funds received from such Escrowed Obligations. The Company may also pay or provide for the payment of a portion of this Master Note by depositing with the Master Note Trustee cash and/or Escrowed Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge such portion of the indebtedness on this Master Note at or before its maturity date. Upon such deposit, such portion of this Master Note will cease to be entitled to any lien, benefit or security under the Master Indenture, and the registered holder hereof shall be entitled to payment (to the exclusion of all other noteholders) solely out of the cash and funds received from such Escrowed Obligations. Master Notes other than this Master Note, or any portion of such Master Notes, are also subject to advance defeasance in the manner described in the Master Indenture.

Limitation of Rights. The registered holder of this Master Note has no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture. No recourse may be had for the payment of the principal of or premium or interest on this Master Note or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Master Note.

Acceleration of Master Note. The registered holder of this Master Note has the right under the Master Indenture to request an acceleration of this Master Note upon the occurrence of an “event of default” described in the Master Indenture. In certain events (including without limitation the occurrence of an “event of default” as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the Master Note Trustee may declare the outstanding principal of this Master Note due and payable before the stated maturity thereof, together with interest accrued thereon.

Transfer of Master Note. This Master Note is transferable by the registered holder in person or by duly authorized attorney at the principal corporate trust office of the Master Note Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Master Note. Upon such transfer a new registered Master Note or Master Notes of the same series and maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Note Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Note Trustee shall not be affected by any notice to the contrary.

Authentication of Master Note. This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note is authenticated by execution by the Master Note Trustee of the Certificate of Authentication inscribed hereon.

Waiver of Presentment or Notice. The Company waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given by the Master Note Trustee to the Company.

IT IS HEREBY CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Master Note have been duly authorized by resolutions of the Company duly adopted.

IN WITNESS WHEREOF, MISSOURI-AMERICAN WATER COMPANY has caused this Master Note to be executed in its name and on its behalf by the manual or facsimile signature of its president, vice president or other authorized officer, and attested by the manual or facsimile signature of its secretary, assistant secretary or other authorized officer, and this Master Note to be dated as of the Dated Date shown above.

MISSOURI-AMERICAN WATER COMPANY

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

MASTER NOTE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Master Note is one of the Master Notes described in the within-mentioned Master Indenture.

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, as Master Note Trustee

By: _____
Title: Authorized Officer

EXHIBIT B
TO MASTER TRUST INDENTURE

EXISTING INDEBTEDNESS

1. Indebtedness outstanding under the Indenture of Mortgage dated as of May 1, 1968, between the Company and U.S. Bank Trust Company, National Association, as trustee, consisting of (a) \$12,500,000 aggregate principal amount of General Mortgage Bonds, 7.14% Series due March 1, 2034, all of which are presently outstanding, (b) \$3,000,000 aggregate principal amount of General Mortgage Bonds, 8.58% Series due March 1, 2025, all of which are presently outstanding, and (c) \$8,000,000 aggregate principal amount of General Mortgage Bonds, 7.79% Series due June 1, 2027, all of which are presently outstanding.
2. Indebtedness, if any, reflected on the Company Audited Financial Statements for the 2020 Fiscal Year.

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

Dated as of March 1, 2022

between

MISSOURI-AMERICAN WATER COMPANY,

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Note Trustee**

Supplemental to:

**Master Trust Indenture
Dated as of March 1, 2022**

**Not to Exceed
\$11,249,000
Missouri-American Water Company
Master Indenture Note
(State of Missouri – Direct Loan Program)
Series 2022A**

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

This **SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1**, dated as of March 1, 2022 (this “*Supplemental Master Indenture No. 1*”), among **MISSOURI-AMERICAN WATER COMPANY**, a corporation organized and existing under the laws of the State of Missouri (the “*Company*”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, having corporate trust offices located in Philadelphia, Pennsylvania and St. Louis, Missouri, as corporate trustee (the “*Master Note Trustee*”).

RECITALS

1. This Supplemental Master Indenture No. 1 amends and supplements the Master Trust Indenture dated as of March 1, 2022, between the Company and the Master Note Trustee (the “*Original Master Indenture*” and, with all amendments and supplements thereto, including this Supplemental Master Indenture No. 1, the “*Master Indenture*”).

2. Concurrently with the execution and delivery of this Supplemental Master Indenture No. 1, the Company and the Missouri Department of Natural Resources (the “*Lender*”) will execute and deliver a Loan Agreement dated as of March 1, 2022 (as it may be amended, restated, supplemented and/or modified from time to time, the “*Loan Agreement*”), under which the Lender is making available to the Company a loan in the maximum principal amount of \$11,249,000 (the “*Loan*”), which Loan will constitute Long-Term Indebtedness under the Master Indenture, and the Company will use the proceeds of the Loan to provide funds for the purposes set forth in the Loan Agreement.

3. The Company, is authorized by law and the Master Indenture and deems it necessary and desirable to issue a Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A (the “*Series 2022A Master Note*”) pursuant to the Original Master Indenture and this Supplemental Master Indenture, and to deliver the Series 2022A Master Note to the Lender in order to evidence and secure the obligations of the Company under the Loan Agreement, including the obligations of the Company to make the payments of principal and interest on the Loan under the Loan Agreement.

4. The Company desires that the Original Master Indenture be amended and supplemented by the execution and delivery of this Supplemental Master Indenture No. 1 as authorized under **Section 901** of the Original Master Indenture to authorize the issuance and delivery of the Series 2022A Master Note.

5. All acts and things necessary to make the Series 2022A Master Note, when executed by the Company and authenticated and delivered by the Master Note Trustee as provided in the Original Master Indenture and this Supplemental Master Indenture No. 1, the valid, binding and legal obligations of the Company, and to constitute these presents, together with the Original Master Indenture, a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Supplemental Master Indenture No. 1 and the issuance hereunder and under the Original Master Indenture of the Series 2022A Master Note authorized by this Supplemental Master Indenture No. 1 have in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it, executes this Supplemental Master Indenture No. 1 and proposes to make, execute, issue and deliver the Series 2022A Master Note authorized hereunder.

NOW, THEREFORE, the Company covenants and agrees with the Master Note Trustee, for the equal and proportionate benefit of the Holders of the Series 2022A Master Note, that the Series 2022A Master Note is to be authenticated and delivered and the Trust Estate is to be held and applied by the Master

Note Trustee, subject to the further covenants, conditions and trusts set forth in this Master Indenture, as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. Words and terms used in this Supplemental Master Indenture No. 1 and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Master Indenture and the Loan Agreement, as applicable.

ARTICLE II

AUTHORIZATION OF SERIES 2022A MASTER NOTE

Section 201. Authorization of Series 2022A Master Note. The Company is authorized to issue a Master Note under the Original Master Indenture and this Supplemental Master Indenture No. 1, as follows: “Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A”, in the original principal amount of not to exceed \$11,249,000 (the “*Series 2022A Master Note*”), to evidence and secure the obligations of the Company under the Loan Agreement.

Section 202. Form and Terms of Series 2022A Master Note. The Series 2022A Master Note authorized hereunder shall be issued as a single fully-registered note, in substantially the form set forth in **Exhibit B** attached hereto, but with such changes as may be necessary to reflect the terms of such Series 2022A Master Note. The Series 2022A Master Note shall be dated the date of its issuance and delivery, and shall have such additional terms and provisions as further set forth in **Exhibit A** attached hereto or described in the Series 2022A Master Note and the Loan Agreement. The Series 2022A Master Note shall be issued and registered in the name of the Registered Holder (initially, the Lender) or its successor or successors, and shall be executed and authenticated in accordance with **Article II** of the Original Master Indenture. Pursuant to the terms of the Loan Agreement, the Series 2022A Master Note shall be delivered to UMB Bank, N.A., as paying agent and escrow agent (the “*2022A Paying Agent*”) pursuant to the Escrow Agreement dated March 1, 2022 (the “*Escrow Agreement*”), between the Company and 2022A Paying Agent, at its office located in St. Louis, Missouri, to be held in trust on behalf of the Lender.

Section 203. Conditions to Issuance and Delivery of Series 2022A Master Note. The Series 2022A Master Note shall not be issued until (i) all conditions precedent to the issuance thereof set forth in the Master Indenture, including particularly **Section 202** of the Original Master Indenture, have been satisfied, and (ii) all conditions precedent to the closing of the Loan set forth in the Loan Agreement have been satisfied or waived by the proper party or parties.

Section 204. Payments on Series 2022A Master Note. The Series 2022A Master Note authorized hereunder shall be payable in installments in the amounts and on the dates, shall bear interest from the date of said Series 2022A Master Note at the rates, and shall have such other terms and provisions as are set forth in or incorporated by reference into the form of Series 2022A Master Note attached hereto. Payments on the Series 2022A Master Note shall be made in the manner and in accordance with the

provisions of the Master Indenture except to the extent that any contrary provision is made pursuant to this Supplemental Master Indenture No. 1 or the Series 2022A Master Note.

Section 205. Prepayment and Redemption of Series 2022A Master Note. The Series 2022A Master Note is subject to prepayment and redemption prior to maturity as provided in the Original Master Indenture and, to the extent and with respect to the corresponding redemption or prepayment provisions of the Loan Agreement, by paying the amount necessary to provide for the payment, prepayment, redemption, refunding or advance defeasance of the Loan or any portion of the Loan in the manner provided in and in accordance with the terms of the Loan Agreement.

Section 206. Credits on Series 2022A Master Note. The Company shall receive a credit against amounts due on the Series 2022A Master Note on any payment date of principal, redemption premium, interest or other amount, respectively, equal to the amounts paid as or credited against payments of the principal of, redemption premium, if any, or interest on the Loan under the Loan Agreement.

ARTICLE III

SECURITY FOR SERIES 2022A MASTER NOTE

Section 301. Security for Series 2022A Master Note. The Series 2022A Master Note authorized hereunder stands on a parity with all Master Notes issued and Outstanding under the Master Indenture and is equally and ratably secured by the Master Indenture, including the pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of the Original Master Indenture, including a lien on the Mortgaged Property under the Mortgage. The Series 2022A Master Note and all other Master Notes issued and Outstanding under the Master Indenture are subordinated and subject in right to the prior payment in full of the Senior Obligations now or hereafter issued and secured under that certain Indenture of Mortgage dated as of May 1, 1968 (the “*Senior Indenture*”), between the Company and U.S. Bank Trust Company, National Association, as trustee for the holders of the Senior Obligations or any successor trustee under the Senior Indenture (the “*Senior Trustee*”), as supplemented and modified to the date hereof, or as the same may hereafter from time to time be further supplemented and modified.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 401. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Supplemental Master Indenture No. 1 to be given to or filed with the parties hereto if the same shall be given in the manner provided in the Original Master Indenture.

Section 402. Ratification of Master Indenture. The Original Master Indenture, as amended and supplemented by this Supplemental Master Indenture No. 1 and as otherwise amended and supplemented, is in all respects ratified and confirmed and the Original Master Indenture as so amended and supplemented shall be read, taken and construed as one in the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Original Master Indenture, as amended and supplemented by this Supplemental Master Indenture No. 1 and as otherwise amended and supplemented, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture No. 1. All references to “this Master Indenture” in the Original Master Indenture shall be

to the Original Master Indenture as amended and supplemented by this Supplemental Master Indenture No. 1 and as otherwise amended and supplemented from time to time.

Section 403. Limitation of Rights. Nothing in this Supplemental Master Indenture No. 1 or in the Series 2022A Master Note, express or implied, shall give or be construed to give any person, firm or corporation, other than the Company, the Master Note Trustee and the Registered Holder of the Series 2022A Master Note or their registered assigns, any legal or equitable right, remedy or claim under or in respect of this Supplemental Master Indenture No. 1, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Company, the Master Note Trustee, and of the Registered Holder of the Series 2022A Master Note or their registered assigns.

Section 404. Electronic Transactions. The transactions described herein may be conducted and related documents may be sent, received and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 405. Binding Effect. All the covenants, stipulations, promises and agreements in this Supplemental Master Indenture No. 1 by the Company or the Master Note Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 406. Severability. If any provision in this Supplemental Master Indenture No. 1 or in the Series 2022A Master Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

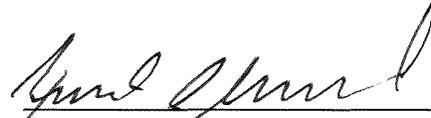
Section 407. Execution in Counterparts. This Supplemental Master Indenture No. 1 may be executed in any number of counterparts, each of which shall be an original; and all of which shall together constitute but one and the same instrument.

Section 408. Governing Law. This Supplemental Master Indenture No. 1 and the Series 2022A Master Note shall be deemed to be a contract made under the laws of the State of Missouri, and for all purposes shall be construed in accordance with the laws of said State.

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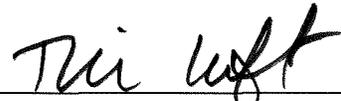
IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Master Indenture No. 1 to be duly executed and attested by the persons thereunto duly authorized, as of the day and year first above written.

MISSOURI-AMERICAN WATER COMPANY



President of the Board of Directors

ATTEST:



Secretary of the Board of Directors

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, as Master Note Trustee

By: 
Title: Vice President

EXHIBIT A
TO SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

TERMS OF MASTER INDENTURE NOTE

Series Designation:	Master Indenture Note (State of Missouri – Direct Loan Program) Series 2022A
No.:	R-1, consecutively upwards
Original Principal Amount:	Not to exceed \$11,249,000
Dated Date:	March 10, 2022
Stated Maturity:	July 1, 2041
Interest Rate:	The Series 2022A Master Note shall bear interest until the principal thereof is paid or duly provided for, at the annual rate equal to 30% of the Revenue Bond Index as published in <i>The Bond Buyer</i> most recently prior to the date of issuance of the Series 2022A Master Note, rounded up to the nearest 0.01%), payable semi-annually on January 1 and July 1 each year, commencing on July 1, 2022, 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 on the Series 2022A Master Note shall be computed at the interest rate per annum above on the basis of a 360-day year of twelve 30-day months from the dated date thereof or from the most recent interest payment date to which interest has been paid or duly provided for.
Record Date:	The 25th day (whether or not a business day) of the calendar month next preceding the applicable interest payment date.
Lender:	Missouri Department of Natural Resources
Loan and Loan Agreement:	Loan from the Missouri Department of Natural Resources pursuant to Loan Agreement dated as of March 1, 2022, between the Company and the Missouri Department of Natural Resources.
Authorized Denominations:	The Series 2022A Master Note shall be issuable in denominations of \$100,000 or any integral multiple of \$0.01 in excess thereof, or if the principal amount of the Series 2022A Master Note is less than \$100,000, then an amount equal to the principal amount of the Series 2022A Master Note.
Initial Registered Holder:	The Series 2022A Master Note shall be registered in the name of the Missouri Department of Natural Resources (“DNR”) or its successor or assign.

Time, Method and Place of Payment:

So long as DNR is the sole Registered Holder of the Series 2022A Master Note, pursuant to **Section 203(d)** of the Master Indenture, the principal of, redemption premium (if any) and interest on the Series 2022A Master Note shall be paid directly by the Company to UMB Bank, N.A., as paying agent and escrow agent (the “*2022A Paying Agent*”) pursuant to the Escrow Agreement dated March 1, 2022 (the “*Escrow Agreement*”), between the Company and 2022A Paying Agent, as designee of DNR, at its office located in St. Louis, Missouri (or, if there be a successor paying agent and escrow agent under the Escrow Agreement, at such successor’s office), in currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payments shall be made at such times and by such method as provided in the Loan Agreement.

Immediately following each payment, the 2022A Paying Agent shall note any payments of principal on the Series 2022A Master Note, whether at maturity or upon earlier redemption, on Schedule 1 thereto, specifying the amount paid and identifying the Series 2022A Master Note by series designation, number and Registered Holder, and shall promptly provide an electronic copy of the revised Schedule 1 to the Master Note Trustee. The Master Note Trustee shall promptly acknowledge such payment on Schedule 1 of the Series 2022A Master Note, and shall return an electronic copy of the acknowledged Schedule 1 to the 2022A Paying Agent.

Prepayment Prior to Maturity:

The principal of the Series 2022A Master Note is subject to prepayment by the Company from time to time in the manner, under the circumstances, upon such notice and at the prices set forth in the Master Indenture. The Series 2022A Master Note may also be prepaid in whole or in part under the circumstances and in the amount required to provide for the payment or prepayment of the Loan under the Loan Agreement.

Other Terms:

Immediately following the funding of a Purchase Price Installment (as defined in the Loan Agreement) on the Loan, the 2022A Paying Agent shall endorse the Series 2022A Master Note on Schedule 1 thereto in an amount equal to the Purchase Price Installment as evidence of an increase in the aggregate principal amount of the Series 2022A Master Note, and shall promptly provide an electronic copy of the revised Schedule 1 to the Master Note Trustee. The date of the endorsement shall be the date of funding of the Purchase Price Installment by DNR pursuant to the Loan Agreement. The Master Note Trustee shall promptly acknowledge such increase in the aggregate principal amount of the Series 2022A Master Note on Schedule 1 of the Series 2022A Master Note, and shall return an electronic copy of the acknowledged Schedule 1 to the 2022A Paying Agent.

* * * * *

hereon has been made or duly provided for in accordance with the Master Indenture and the Loan Agreement.

Authorization of Master Note. This Master Note represents the duly authorized Master Note of the Company, in the principal amount stated above, designated as “Master Indenture Note (State of Missouri – Direct Loan Program), Series 2022A” (this Master Note, together with all other Master Notes issued and secured under the Master Indenture, referred to collectively as the “Master Notes”) issued under and pursuant to the Master Trust Indenture dated as of March 1, 2022, as amended and supplemented by Supplemental Master Trust Indenture No. 1, dated as of March 1, 2022, among the Company and U.S. Bank Trust Company, National Association, as trustee (the “Master Note Trustee”) (said Master Trust Indenture, as so supplemented and amended, being herein called the “Master Indenture”). This Master Note is issued for the purpose of securing the obligations of the Company under a Loan Agreement dated as of March 1, 2022 (the “Loan Agreement”), between the Company and the Lender, pursuant to which the Lender has agreed to make loans to or advance funds on behalf of the Company in the manner and on the dates specified in the Loan Agreement.

Security for Master Notes. All Master Notes issued and Outstanding under the Master Indenture are equally and ratably secured by the Master Indenture.

The Company agrees under the Master Indenture to be liable on all Master Notes, including this Master Note, issued under the Master Indenture. Under the Master Indenture the Company may issue additional Master Notes from time to time, and if issued, such additional Master Notes will rank *pari passu* with this Master Note and all other Master Notes issued under the Master Indenture, except as otherwise provided in the Master Indenture.

Copies of the Master Indenture and the Loan Agreement are on file with the Master Note Trustee and reference is made to the Master Indenture and the Loan Agreement for the provisions with respect to the nature and extent of the security for and the rights of the registered holders of this Master Note, the terms and conditions on which this Master Note is issued and the rights, duties and obligations of the Company and the Master Note Trustee under the Master Indenture, to all of which the registered holder hereof, by acceptance of this Master Note, assents. The Master Indenture may be modified, amended or supplemented to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture and the Loan Agreement.

Redemption Prior to Maturity. The principal of this Master Note is subject to prepayment in the manner, under the circumstances, upon such notice and at the prices set forth in the Master Indenture and the Loan Agreement.

In the event this Master Note is prepaid as aforesaid, notice thereof identifying the portion of this Master Note to be prepaid, unless waived, will be given by mailing a copy of the redemption notice by first class mail to the registered holder hereof, at the address shown on the registration books, at the times provided in the Master Indenture. This Master Note or the portion hereof so called for prepayment will cease to bear interest on the specified prepayment date, provided funds for its prepayment are on deposit at the place of payment at that time, and this Master Note or such portion will no longer be protected by the Master Indenture and will not be deemed to be Outstanding under the provisions of the Master Indenture.

Advance Defeasance of Master Note. This Master Note is subject to advance defeasance as provided in the Master Indenture if the Company deposits with the Master Note Trustee or other institution with trust powers cash and/or Escrowed Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge this Master Note Outstanding under

the Master Indenture at or before its maturity date. The Company shall remain the obligor on this Master Note, but the registered holder hereof will be entitled to payment solely out of such cash and funds received from such Escrowed Obligations. The Company may also pay or provide for the payment of a portion of this Master Note by depositing with the Master Note Trustee cash and/or Escrowed Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge such portion of the indebtedness on this Master Note at or before its maturity date. Upon such deposit, such portion of this Master Note will cease to be entitled to any lien, benefit or security under the Master Indenture, and the registered holder hereof shall be entitled to payment (to the exclusion of all other noteholders) solely out of the cash and funds received from such Escrowed Obligations. Master Notes other than this Master Note, or any portion of such Master Notes, are also subject to advance defeasance in the manner described in the Master Indenture.

Limitation of Rights. The registered holder of this Master Note has no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture. No recourse may be had for the payment of the principal of or premium or interest on this Master Note or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Master Note.

Acceleration of Master Note. The registered holder of this Master Note has the right under the Master Indenture to request an acceleration of this Master Note upon the occurrence of an “event of default” described in the Master Indenture. In certain events (including without limitation the occurrence of an “event of default” as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the Master Note Trustee may declare the outstanding principal of this Master Note due and payable before the stated maturity thereof, together with interest accrued thereon.

Transfer of Master Note. This Master Note is transferable by the registered holder in person or by duly authorized attorney at the principal corporate trust office of the Master Note Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Master Note. Upon such transfer a new registered Master Note or Master Notes of the same series and maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Note Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Note Trustee shall not be affected by any notice to the contrary.

Authentication of Master Note. This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note is authenticated by execution by the Master Note Trustee of the Certificate of Authentication inscribed hereon.

Waiver of Presentment or Notice. The Company waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given by the Master Note Trustee to the Company.

IT IS HEREBY CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Master Note have been duly authorized by resolutions of the Company duly adopted.

IN WITNESS WHEREOF, MISSOURI-AMERICAN WATER COMPANY has caused this Master Note to be executed in its name and on its behalf by the manual or facsimile signature of its president, vice president or other authorized officer, and attested by the manual or facsimile signature of its secretary, assistant secretary or other authorized officer, and this Master Note to be dated as of the Dated Date shown above.

MISSOURI-AMERICAN WATER COMPANY

President of the Board of Directors

ATTEST:

Secretary of the Board of Directors

MASTER NOTE TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Master Note is one of the Master Notes described in the within-mentioned Master Indenture.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Master Note
Trustee

By: _____
Title: Authorized Officer

SCHEDULE 2 TO MASTER INDENTURE NOTE

MISSOURI-AMERICAN WATER COMPANY
MASTER INDENTURE NOTE
(STATE OF MISSOURI – DIRECT LOAN PROGRAM)
SERIES 2022A

MANDATORY SINKING FUND REDEMPTION SCHEDULE⁽¹⁾

<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
July 1, 2022	\$258,000	July 1, 2032	\$290,000
January 1, 2023	257,000	January 1, 2033	291,000
July 1, 2023	259,000	July 1, 2033	293,000
January 1, 2024	260,000	January 1, 2034	295,000
July 1, 2024	262,000	July 1, 2034	297,000
January 1, 2025	264,000	January 1, 2035	299,000
July 1, 2025	265,000	July 1, 2035	301,000
January 1, 2026	267,000	January 1, 2036	302,000
July 1, 2026	269,000	July 1, 2036	304,000
January 1, 2027	270,000	January 1, 2037	306,000
July 1, 2027	272,000	July 1, 2037	308,000
January 1, 2028	274,000	January 1, 2038	310,000
July 1, 2028	275,000	July 1, 2038	312,000
January 1, 2029	277,000	January 1, 2039	314,000
July 1, 2029	279,000	July 1, 2039	316,000
January 1, 2030	281,000	January 1, 2040	318,000
July 1, 2030	282,000	July 1, 2040	320,000
January 1, 2031	284,000	January 1, 2041	322,000
July 1, 2031	286,000	July 1, 2041 [†]	322,000
January 1, 2032	288,000		

[†]Maturity

⁽¹⁾ Subject to change pursuant to the terms of the Loan Agreement

State of Missouri
Cole County
Judy K. Ridgeway Recorder of Deeds
RECORDED

Book: 737 Page: 44

Receipt #: 362662
Reception: 202202272
Pages Recorded: 12

Recording Fee: \$57.00

Judy K. Ridgeway

Date Recorded: 3/10/2022 10:38:18 AM
[ELECTRONICALLY FILED]



[Space Above For Recorder's Use Only]

1. TITLE OF DOCUMENT: DEED OF TRUST AND MORTGAGE
2. DATE OF DOCUMENT: March 1, 2022
3. GRANTOR: MISSOURI-AMERICAN WATER COMPANY,
a Missouri corporation
4. GRANTEE: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Master Note Trustee
5. GRANTOR'S MAILING ADDRESS: 727 Craig Road
St. Louis, Missouri 63141
6. GRANTEE'S MAILING ADDRESS: Corporate Trust Services
2 Liberty Place
50 South 16th Street, Suite 2000
Mail Station: EX-PA-WBSP
Philadelphia, Pennsylvania 19102
7. LEGAL DESCRIPTION: See **SCHEDULE 1**

This cover page is attached solely for the purpose of complying with the requirements stated in §§59.310 and 59.313 of the Revised Statutes of Missouri (the "Missouri Recording Act").

Return recorded document to:

Gilmore & Bell, P.C.
211 North Broadway, Suite 2000
St. Louis, Missouri 63102
Attention: Shannon W. Creighton, Esq.

MISSOURI-AMERICAN WATER COMPANY
Unanimous Consent of Directors
(Without a Meeting)

The undersigned, being all of the members of the Board of Directors (the “Board”) of Missouri-American Water Company, a Missouri corporation (the “Company”), do hereby consent, effective May 30, 2024, in lieu of a special meeting of the Company’s Board on that date, to the following actions:

WHEREAS, the Missouri Department of Natural Resources, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program for purposed of making loans and grants to political subdivisions and other eligible entities in the State of Missouri. The Safe Water Drinking Commission has approved loans, and the Company has been approved for loans and is expected to apply for future loans, in the aggregate principal amount of Four Hundred and Five Million Dollars (\$405,000,000) to be made by the Missouri Department of Natural Resources pursuant to loan agreements; and

WHEREAS, the Company will file an application (the “Application”) with the Missouri Public Service Commission detailing the Proposed Transaction and seeking approval therefore; and

WHEREAS, a draft of the Application is attached hereto as Exhibit A and has been reviewed by the Board.

NOW, THEREFORE, BE IT

RESOLVED, that the Company be, and hereby is, authorized to take all actions reasonably prudent and necessary to consummate the Proposed Transaction of the loans up to Four Hundred and Five Million Dollars (\$405,000,000); and be it

FURTHER RESOLVED, that the Company be, and hereby is, authorized to execute, deliver and perform all of its obligations under all documents, agreements, certificates and/or other instruments that are necessary to consummate the Proposed Transactions (collectively, the “Transaction Documents”); and be it

FURTHER RESOLVED, that the President and the Chief Financial Officer of the Company, or either of them individually, be and hereby are authorized and directed to (i) execute, attest and deliver, in the name of and on behalf of the Company, the Transaction Documents, with such changes thereto as deemed necessary or advisable by the President or the

Chief Financial Officer to permit the consummation of the transactions contemplated thereby, and such execution shall be binding upon the Company, and (ii) take such other actions on behalf of the Company as the President or the Chief Financial Officer deems necessary to permit the consummation of the transactions contemplated therein and those agreements, amendments, certificates and instruments necessary and incidental thereto; and be it

FURTHER RESOLVED, that this unanimous consent may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one (1) and the same unanimous consent and the signature of a Director to this unanimous consent may be sent by facsimile or other electronic transmission and shall be deemed to constitute an original and fully effective signature of such Director; and be it

FURTHER RESOLVED, that this consent be filed by the Secretary of the Company with its minutes.

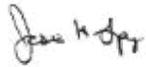
IN WITNESS WHEREOF, the undersigned have executed this unanimous consent to be effective as of the day and year first above written.

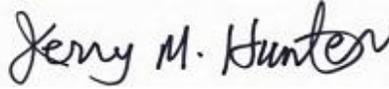

Rich Svindland 05.30.2024 12:40 PM


Jody Carlson 05.30.2024 1:16 PM


Brian LaGrand 05.30.2024 12:53 PM


Andrea Cokel 05.30.2024 12:38 PM


Jose Lopez 05.30.2024 2:31 PM


Jerry Hunter 05.30.2024 2:32 PM

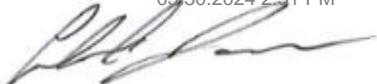

Caleb Jones 05.31.2024 9:11 AM

Exhibit A

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

In the matter of the Application of Missouri-)
American Water Company for Authority to) File No. _____
Issue up to \$405 Million of Long-Term)
Debt and to Secure Same With a Mortgage)
on its Property)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company (hereinafter "MAWC" or "Applicant") pursuant to §§393.190 and 393.200 RSMo. and 20 CSR 4240-2.060, 2.080, 4.017, and 10.125, and for its *Application and Motion for Waiver* to the Missouri Public Service Commission (hereinafter "Commission"), states that:

The Applicant

1. Applicant 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. A certified copy of MAWC’s certificate of good standing was submitted in Case No. WO-2021-0343 and is incorporated by reference.

2. MAWC currently provides water service to approximately 483,000 customers and sewer service to approximately 24,000 customers in several counties throughout State of Missouri. MAWC is a “water corporation,” 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. Applicant has no pending actions or final unsatisfied judgments or decisions against it from a state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three (3) years of date of this Application.

4. Applicant has no annual reports or assessment fees overdue or unpaid.
5. Communications in regard to this Application should be addressed to the undersigned counsel and:

Brian LaGrand
Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
(314) 996-2357
brian.lagrand@amwater.com

Capitalization of Applicant

6. Applicant has outstanding an Indenture of Mortgage dated May 1, 1968, and supplements thereto dated March 1, 1971; October 1, 1975; October 1, 1980; January 1, 1984; September 1, 1986; February 1, 1990; January 1, 1993; March 1, 1994; January 1, 1995; March 1, 1995; July 1, 1996; June 1, 1997; February 1, 1998; November 1, 1998; March 1, 2000; December 31, 2001; April 1, 2002; and December 1, 2006 by and between Applicant and U.S. Bank National Association (successor to Wachovia Bank, National Association, formerly First Union National Bank, formerly the Fidelity Bank). Applicant's original Indenture of Mortgage was approved by this Commission in an Order dated June 14, 1968, in Case No. 16,452. As of December 31, 2023; there was due under said Indenture of Mortgage \$23.5 million aggregate principal amount of General Mortgage Bonds. Said Indenture of Mortgage, as supplemented and amended, constitutes a first mortgage lien against the property of Applicant described in the Indenture of Mortgage.

7. Applicant has outstanding a Master Trust Indenture dated March 1, 2022, by and between Applicant and U.S Bank Trust Company, National Association. This indenture was approved by the Commission in an Order dated December 8, 2021, in Case No. WF-2022-0066. As of December 31, 2023, there was due under said Master Trust Indenture \$9.8 million aggregate

principal amount of General Mortgage Bonds. Said Master Trust Indenture constitutes a first mortgage lien against the property of Applicant described in the Master Trust Indenture.

8. Applicant had outstanding \$1,260.2 million of long-term senior unsecured indebtedness with American Water Capital Corp. as of December 31, 2023.

9. Applicant had \$37.9 million in short-term unsecured indebtedness as of December 31, 2023.

10. Applicant's authorized capital stock consists of 40.0 million shares of common stock, without par value, 27.7 million shares of which are issued and outstanding under authority of this Commission. Applicant's Restated Articles of Incorporation contain sufficient authorized shares of common stock so as to allow the issuance of approximately 12.3 million shares of common stock, for an aggregate purchase price of \$100.0 million.

11. None of the outstanding stock, stock certificates or bonds, have been issued or used in capitalizing the right to be a corporation or any franchise or permit, or the right to run, operate or enjoy such franchise or permit, or any contract for consolidation or the lease, or issued against or as a lien upon any contract for consolidation or merger.

The Relief Requested From the Commission

11. Applicant seeks the Commission's approval to engage in a variety of secured debt financings with the Missouri Department of Natural Resources hereinafter described during an approximate three (3) year period following the effective date of an order approving Applicant's proposed financing in this case. Applicant also seeks authority from the Commission to secure the long-term indebtedness to the Missouri Department of Natural Resources by placing a mortgage upon its property. The Applicant requests that the Commission approval in this case, if granted, extend to December 31, 2027.

Description of the Loan, Use of the Proceeds, and Security for the Loan

12. The Missouri Department of Natural Resources, in cooperation with the Safe Drinking Water Commission of the State of Missouri, has developed and implemented the State of Missouri Direct Loan Program for the purpose of making loans and grants to political subdivisions and other eligible entities in the State of Missouri. In this case, the Safe Drinking Water Commission has approved loans, and the Applicant is expected to apply for future loans, in an aggregate principal amount of \$405.0 million to be made by the Missouri Department of Natural Resources to Applicant pursuant to Loan Agreements, an example of which, is attached hereto as **Appendix 1**.

13. In order to secure the loans from the Missouri Department of Natural Resources, Applicant will be required to place a mortgage, lien or encumbrance on certain properties in the State of Missouri in accordance with a Master Trust Indenture, an example of which is attached hereto at **Appendix 2**.

14. Each loan will be evidenced by a Master Indenture Note, an example of which is attached to the Master Trust Indenture (**Appendix 2**) as Exhibit A-1. The aggregate principal amount is up to \$405.0 million, with a 20-year term, and the loans bear an annual interest rate that is equal to 30% of the Revenue Bond Index as published in *The Bond Buyer* most recently prior to the date of closing of the loan, plus a 0.5% administration fee.

15. Applicant and the Missouri Department of Natural Resources are entering into these loan agreements for the purpose of financing improvements to certain drinking water treatment facilities. The net proceeds from the loans will be used for the acquisition of property; the construction, completion, extension or improvement of Applicant's plant or system; the

improvement or maintenance of its service; or the reimbursement of moneys actually expended from income as permitted by §393.200 RSMo.

Regulatory Considerations

16. Applicant has no objection to the Commission's order approving this Application containing express language to the effect that its authorization is not a finding by the Commission of the appropriateness of the choice of financing options for ratemaking purposes and, further, that the Commission reserves the right to consider the ratemaking treatment afforded the activities undertaken by the Applicant pursuant to its order in this case and their impact on the cost of capital in pending or subsequent rate proceedings.

Filing Requirements

17. In accordance with Commission Rule 20 CSR 4240-10.125(1)(D), attached hereto, as **Appendix 3**, is a certified copy of the Resolutions of the Board of Directors of Applicant authorizing the loans and mortgage which are the subject of this Application and authorizing the filing of this Application.

18. Also attached hereto are the following appendices:

- a. **Appendix 4** - Listing of issued and outstanding long-term debt of Applicant as of December 31, 2023;
- b. **Appendix 5** - Information regarding capital stock outstanding, bonded indebtedness and short-term indebtedness and other financial information including a balance sheet for the period ending December 31, 2023, and a financial statement with the adjustments showing the *pro forma* effect of the issuance of the \$405.0 million of new long-term debt on bonded and other indebtedness, as required by Commission Rule 20 CSR 4240-10.125(1)(E); and,
- c. **Appendix 6** - Statement of Applicant's capital expenditures for the acquisition of property and the construction, completion, extension and improvement of its plant and system for the five (5) year period ending prior to the filing of this Application, as well as the amount of retirements and other related adjustments, and a statement of

Applicant's net property additions. **Appendix 6** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

- d. **Appendix 7** – Applicant’s five year capital expenditure plan, as required by Commission Order in Case No. WF-2022-0066. **Appendix 7** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

19. The money, property or labor to be procured or paid by the issuance of the indebtedness described herein is reasonably required for the purposes specified in this Application and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

Supplemental Reports of Financing Activity

20. Within thirty (30) days after the issuance and sale of the instant indebtedness, a report setting forth the amount, price information and other terms and provisions concerning long-term indebtedness incurred by Applicant and setting forth information concerning the use of the proceeds from any such issuances will be filed.

21. Applicant’s report will include a statement identifying the portion of the issuances of long-term indebtedness that are subject to the fee schedule set forth in § 386.300 RSMo., in accordance with 20 CSR 4240-10.125(1)(F).

MOTION FOR WAIVER

22. Rule 20 CSR 4240-4.017(1) provides that “(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case.” A notice was not filed 60 days prior to the filing of this Application, and Applicant seeks a waiver of the 60-day notice requirement.

23. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Applicant declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, Applicant moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application.

WHEREFORE, Applicant requests the Commission to issue an Order authorizing the Applicant to:

A. Issue and deliver to Missouri Department of Natural Resources, or its lawful designee, in one or more series of note(s) evidencing long-term indebtedness, each such series of notes to be issued at such time, or from time-to-time, to be of such aggregate principal amount, having maturity of not more than twenty (20) years, bearing interest at a rate that is equal to 30% of the Revenue Bond Index as published in The Bond Buyer most recently prior to the date of closing of the loan, plus a 0.5% administration fee, in substantial accordance with the form of the Master Indenture Note attached to the Master Trust Indenture (**Appendix 2**) as Exhibit A-1, provided that the aggregate principal amount of all such series shall not exceed \$405.0 million; and,

B. Execute and deliver as security for the note(s) a mortgage on Applicant's property in substantial accordance with the form of the Master Indenture Trust attached as **Appendix 2** to the Application; and,

C. Amortize any principal or discount expenses incident to the issuance of long-term indebtedness to expenses related to debt issued to other lenders over the life thereof;

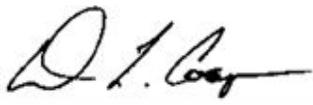
D. Enter into, execute, deliver and perform the necessary arrangements or other documents necessary to effectuate the transactions hereinabove described; and,

E. Take such other actions as may be necessary to complete the subject transactions; and,

Further ordering that the proceeds from the issuance of the indebtedness will be used by Applicant for the acquisition of property, the construction, completion, extension or improvement or addition to its facilities, the improvement of or maintenance of its service, and for other corporate purposes as hereinabove described.

Further ordering that the money, property or labor to be procured or paid for by the Applicant through the issuance of the indebtedness is reasonably required and necessary for the purposes set forth and will be used therefore and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, all as required by §393.200 RSMo. 2000; and,

Waiving for good cause shown the application of Commission rule 20 CSR 4240-4.017(1) requirement for a sixty (60) day notice of intent to file.



Dean L. Cooper MBE #36592
BRYDON, SWEARENGEN & ENGLAND P.C.
312 E Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
(573) 635-7166
dcooper@brydonlaw.com

Respectfully Submitted,

Timothy W. Luft, MBE #40506
Rachel Niemeier, MBE #56073
Corporate Counsel
MISSOURI-AMERICAN WATER
COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279 (Tim)
(314) 996-2390 (Rachel)
timothy.luft@amwater.com
rachel.neimeier@amwater.com

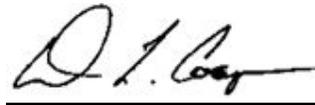
ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 31st day of May, 2024 to:

Casi Aslin
Staff Counsel's Office
casi.aslin@psc.mo.gov
staffcounsel@psc.mo.gov

Marc Poston
Office of the Public Counsel
opcservice@opc.mo.gov



D. J. Coyle

VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

Dated: May 31, 2024



**Missouri-American Water Company
Cost of Long-Term Debt
As of December 31, 2023**

Subledger Number	Coupon Rate	Date Issued	Maturity Date	Principal Amount Outstanding @ 12/31/2023	Unamortized Debt Expense @ 12/31/2023	Unamortized Debt Discount @ 12/31/2023	Carrying Value @ 12/31/2023	Monthly Amortization of Debt Expense	Monthly Amortization of Debt Discount	Annual Interest	Annual Amortization of Debt Expense For Test Year Ended @ 12/31/2023	Annual Amortization of Debt Discount For Period Ended @ 12/31/2023	Total Annual Cost
[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]=[E] - [F] - [G]	[I]	[J]	[K]=[B] x [E]	[L]=[I] x 12 months	[M]=[J] x 12 Months	[N]=[K] + [L] + [M]
<u>General Mortgage Bonds</u>													
BD170005	7.790%	6/12/1997	6/1/2027	\$ 8,000,000	\$ 12,992	\$ -	\$ 7,987,008	\$ 316	\$ -	\$ 623,200	\$ 3,787	\$ -	\$ 626,987
BD170006	8.580%	3/1/1995	3/1/2025	\$ 3,000,000	\$ 3,046	\$ -	\$ 2,996,954	\$ 215	\$ -	\$ 257,400	\$ 2,581	\$ -	\$ 259,981
BD170007	7.140%	3/1/1994	3/1/2034	\$ 12,500,000	\$ 85,092	\$ -	\$ 12,414,908	\$ 697	\$ -	\$ 892,500	\$ 8,358	\$ -	\$ 900,858
BD170048 SRF	0.740%	3/10/2022	7/1/2041	\$ 9,763,751	\$ -	\$ -	\$ 9,763,751	\$ -	\$ -	\$ 72,252	\$ -	\$ -	\$ 72,252
<u>AWCC Intercompany Borrowing</u>													
BD170018	6.593%	10/22/2007	10/15/2037	\$ 103,000,000	\$ 477,789	\$ -	\$ 102,522,211	\$ 2,885	\$ -	\$ 6,790,790	\$ 34,615	\$ -	\$ 6,825,405
BD170021	5.050%	11/21/2011	10/15/2037	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000	\$ -	\$ -	\$ 1,262,500	\$ -	\$ -	\$ 1,262,500
BD170024	4.925%	6/11/2012	10/15/2037	\$ 18,292,000	\$ -	\$ -	\$ 18,292,000	\$ -	\$ -	\$ 900,881	\$ -	\$ -	\$ 900,881
BD170025	4.925%	6/11/2012	10/15/2037	\$ 10,944,000	\$ -	\$ -	\$ 10,944,000	\$ -	\$ -	\$ 538,992	\$ -	\$ -	\$ 538,992
BD170028	4.900%	7/2/2012	10/15/2037	\$ 2,331,000	\$ -	\$ -	\$ 2,331,000	\$ -	\$ -	\$ 114,219	\$ -	\$ -	\$ 114,219
BD170029	4.900%	7/2/2012	10/15/2037	\$ 10,364,000	\$ -	\$ -	\$ 10,364,000	\$ -	\$ -	\$ 507,836	\$ -	\$ -	\$ 507,836
BD170030	4.900%	7/2/2012	10/15/2037	\$ 13,081,000	\$ -	\$ -	\$ 13,081,000	\$ -	\$ -	\$ 640,969	\$ -	\$ -	\$ 640,969
BD170031	4.900%	7/2/2012	10/15/2037	\$ 22,712,000	\$ -	\$ -	\$ 22,712,000	\$ -	\$ -	\$ 1,112,888	\$ -	\$ -	\$ 1,112,888
BD170036	4.300%	12/17/2012	12/1/2042	\$ 15,000,000	\$ 96,586	\$ 17,215	\$ 14,886,199	\$ 425	\$ 76	\$ 645,000	\$ 5,102	\$ 910	\$ 651,012
BD170038	3.850%	11/20/2013	3/1/2024	\$ 25,000,000	\$ 3,413	\$ 1,617	\$ 24,994,971	\$ 1,574	\$ 809	\$ 962,500	\$ 3,413	\$ 1,617	\$ 967,529
BD170039	4.300%	8/13/2015	9/1/2045	\$ 50,000,000	\$ 378,062	\$ 472,632	\$ 49,149,306	\$ 1,453	\$ 1,843	\$ 2,150,000	\$ 17,438	\$ 22,111	\$ 2,189,549
BD170040	4.000%	11/17/2016	12/1/2046	\$ 107,480,000	\$ 861,366	\$ 682,210	\$ 105,936,424	\$ 3,130	\$ 2,481	\$ 4,299,200	\$ 37,564	\$ 29,769	\$ 4,366,533
BD170041	3.750%	8/22/2017	9/1/2047	\$ 70,000,000	\$ 573,740	\$ 169,482	\$ 69,256,778	\$ 2,019	\$ 598	\$ 2,625,000	\$ 24,228	\$ 7,171	\$ 2,656,400
BD170042	2.950%	9/13/2017	9/1/2027	\$ 12,646,633	\$ 134,136	\$ 15,168	\$ 12,497,329	\$ 3,045	\$ 348	\$ 373,076	\$ 36,544	\$ 4,175	\$ 413,794
BD170043	4.200%	8/9/2018	9/1/2048	\$ 45,000,000	\$ 385,419	\$ 19,999	\$ 44,594,582	\$ 1,301	\$ 68	\$ 1,890,000	\$ 15,616	\$ 811	\$ 1,906,427
BD170044	4.150%	5/13/2019	6/1/2049	\$ 75,000,000	\$ 661,216	\$ 336,210	\$ 74,002,573	\$ 2,167	\$ 1,102	\$ 3,112,500	\$ 26,004	\$ 13,228	\$ 3,151,732
BD170045	3.450%	4/14/2020	5/1/2050	\$ 110,000,000	\$ 1,021,734	\$ 198,592	\$ 108,779,674	\$ 3,232	\$ 628	\$ 3,795,000	\$ 38,788	\$ 7,542	\$ 3,841,329
BD170046	2.300%	6/14/2021	6/1/2031	\$ 90,000,000	\$ 661,584	\$ 255,258	\$ 89,083,158	\$ 7,423	\$ 2,269	\$ 2,070,000	\$ 89,071	\$ 27,231	\$ 2,186,302
BD170047	3.250%	5/14/2021	6/1/2051	\$ 73,000,000	\$ 6,577,330	\$ 137,876	\$ 66,284,793	\$ 67,709	\$ 581	\$ 2,372,500	\$ 812,504	\$ 6,973	\$ 3,191,976
BD170049	4.450%	5/5/2022	6/1/2032	\$ 200,000,000	\$ 1,415,466	\$ 529,790	\$ 198,054,743	\$ 14,010	\$ 5,245	\$ 8,900,000	\$ 168,119	\$ 62,945	\$ 9,131,064
BD170050	3.625%	8/15/2023	6/15/2026	\$ 200,000,000	\$ 2,469,645	\$ -	\$ 197,530,355	\$ 83,717	\$ -	\$ 7,250,000	\$ 1,004,601	\$ -	\$ 8,254,601
<u>Carry Over Unamortized Debt Expense</u>													
BD170009		7/2/2012	10/15/2037	\$ -	\$ 100,699	\$ -	\$ (100,699)	\$ 608	\$ -	\$ -	\$ 7,302	\$ -	\$ 7,302
BD170010		1/1/2005	6/30/2026	\$ -	\$ 37,221	\$ -	\$ (37,221)	\$ 1,241	\$ -	\$ -	\$ 14,889	\$ -	\$ 14,889
BD170013		6/11/2012	10/15/2037	\$ -	\$ 477,555	\$ -	\$ (477,555)	\$ 2,886	\$ -	\$ -	\$ 34,626	\$ -	\$ 34,626
BD170017		12/19/2016	12/1/2046	\$ -	\$ 778,821	\$ -	\$ (778,821)	\$ 2,832	\$ -	\$ -	\$ 33,981	\$ -	\$ 33,981
BD170020		12/1/2013	3/1/2024	\$ -	\$ 13,755	\$ -	\$ (13,755)	\$ 6,772	\$ -	\$ -	\$ 13,755	\$ -	\$ 13,755
BD350006		1/1/2005	11/30/2029	\$ -	\$ 168,625	\$ -	\$ (168,625)	\$ 2,375	\$ -	\$ -	\$ 28,500	\$ -	\$ 28,500
BD350010		1/1/2005	5/31/2025	\$ -	\$ 27,956	\$ -	\$ (27,956)	\$ 1,645	\$ -	\$ -	\$ 19,734	\$ -	\$ 19,734
BD350011		1/1/2005	10/31/2026	\$ -	\$ 89,966	\$ -	\$ (89,966)	\$ 2,646	\$ -	\$ -	\$ 31,753	\$ -	\$ 31,753
BD350014		7/2/2012	10/15/2037	\$ -	\$ 501,865	\$ -	\$ (501,865)	\$ 3,027	\$ -	\$ -	\$ 36,327	\$ -	\$ 36,327
				<u>\$1,312,114,384</u>	<u>\$18,015,079.83</u>	<u>\$ 2,836,049</u>	<u>\$ 1,291,263,255</u>	<u>\$ 219,349</u>	<u>\$ 16,047</u>	<u>\$ 54,159,202</u>	<u>\$ 2,549,198</u>	<u>\$ 184,483</u>	<u>\$ 56,892,884</u>

Cost of Long-Term Debt [P] / [J]

4.41%

Missouri - American Water Company
Balance Sheet as of December 31, 2023 and Pro Forma
Giving Effect as of 12/31/2023 of the Proposed Financing

		[A]	[B]	[C] = [A]+[B]
		<u>Per Books</u>	<u>Proposed</u> <u>Financings</u>	<u>Pro Forma</u>
1	Utility Plant	101-107 4,282,563,515	800,950,000 (1)	5,083,513,515
2	Accumulated Provisions for Depreciation and Amortization	108 (635,500,798)		(635,500,798)
3	Utility Plant Acquisition Adjustments (net)	114-115 4,365,741		4,365,741
4	Total Net Utility Plant	3,651,428,458	800,950,000	4,452,378,458
5				
6	Nonutility Property	-		-
7	Other Investments	123-124 849,203		849,203
8	Total Other Property and Investments	849,203	-	849,203
9				
10	Cash	131 2,528,885		2,528,885
11	Special Deposits	132-134 2,752		2,752
12	Working Funds	135 1,550		1,550
13	Notes and Accounts Receivable	141-143 34,752,657		34,752,657
14	Accumulated Provision for Uncollectible Accounts	144 (3,001,516)		(3,001,516)
15	Receivable from Associated Companies	145-146 14,944,997		14,944,997
16	Materials and Supplies	151-157, 163 13,325,287		13,325,287
17	Prepayments	166 513,911		513,911
18	Accrued Utility Revenues	173 19,063,004		19,063,004
19	Miscellaneous Current and Accrued Assets	174 1,475,176		1,475,176
20	Total Current and Accrued Assets	83,606,701	-	83,606,701
21				
22	Unamortized Debt Discount and Expense	181 12,521,936	4,050,000 (2)	16,571,936
23	Preliminary Survey and Investigation	183 4,619,089		4,619,089
24	Miscellaneous Deferred Debits	186 60,927,276		60,927,276
25	Total Deferred Debits	78,068,301	4,050,000	82,118,301
26				
27	Total Assets	3,813,952,664	805,000,000	4,618,952,664
28				
29	Common Stock Issued	201 95,994,075		95,994,075
30	Preferred Stock Issued	204 -		-
31	Other Paid in Capital	208-211 873,143,091	400,000,000 (6)	1,273,143,091
32	Capital Stock Expense	214 -		-
33	Retained Earnings	215-216 422,503,612		422,503,612
34	Total Equity Capital	1,391,640,778	400,000,000	1,791,640,778
35				
36	Bonds LESS Reacquired Bonds	221-222 1,309,278,335	405,000,000 (3)	1,714,278,335
37	Total Long Term Debt	1,309,278,335	405,000,000	1,714,278,335
38				
39	Accounts Payable	232 112,017,724	- (4) (5)	112,017,724
40	Payables to Associated Companies	233-234 82,269,551		82,269,551
41	Taxes Accrued	236 845,856		845,856
42	Interest Accrued	237 8,345,774		8,345,774
43	Tax Collections Payable	241 2,350,366		2,350,366
44	Miscellaneous Current and Accrued Liabilities	242 20,171,805		20,171,805
45	Total Current and Accrued Liabilities	226,001,077	-	226,001,077
46				
47	Advances for Construction	252 2,013,078		2,013,078
48	Other Deferred Credits	253 95,026,380		95,026,380
49	Accumulated Deferred Investment Tax Credits	255 2,225,894		2,225,894
50	Accumulated Deferred Income Taxes	281-283 445,809,792		445,809,792
51	Total Deferred Debits	545,075,143	-	545,075,143
52				
53	Operating Reserves	261-265 26,180,443	-	26,180,443
54				
55	Contributions in Aid of Construction	271 315,776,889	-	315,776,889
56				
57	Total Capital and Liabilities	3,813,952,664	805,000,000	4,618,952,664

Missouri - American Water Company
Balance Sheet as of December 31, 2023 and Pro Forma
Giving Effect as of 12/31/2023 of the Proposed Financing

Narrative Description of Adjustments

1	(1) Utility Plant		
2	Estimated additional capital expenditures through December 2027		800,950,000
3			
4	(2) Debt and Preferred Stock Expenses		
5	Recording entry for debt issuance expense at estimated 1.0% of notional amount to be amortized		4,050,000
6	over life of proposed long-term debt		
7			
8	(3) Long-Term Debt		
9	Proposed additional long-term debt through 2027		405,000,000
10			
11	(4) Short-Term Debt		
12	Payment of Debt Issuance Expense		4,050,000
13			
14	(5) Short-Term Debt		
15	Payment of Debt Issuance Cost refinanced through proposed Long Term Debt , resulting in \$0 net effect		(4,050,000)
16			
17	(6) Common Equity		400,000,000
18	Internally generated funds through December 2027		

Missouri - American Water Company
Statement of Income for the Twelve Months Ended December 31, 2023 and Pro Forma
Giving Effect of the Proposed Financing

		[A]	[B]	[C] = [A]+[B]
		<u>Per Books*</u>	<u>Proposed</u> <u>Financings</u>	<u>Pro Forma</u>
1	Operating Revenues	400	450,014,846	536,591,534
2				
3	Operation Expense	401	155,476,157	155,476,157
4	Maintenance Expense	402	10,214,204	10,214,204
5	Depreciation Expense	403	69,154,286	85,173,286
6	Amortization of Limited Term/Other Utility Plant	404-405	4,770,206	4,770,206
7	Amortization of Utility Plant Acquisition Adjustments	406	-	-
8	Amortization of Property Losses	407	158,893	158,893
9	Taxes Other Than Income Taxes - Utility Operating Income	408.1	38,770,367	50,784,617
10	Income Taxes, Utility Operating Income	409.1	(20,404,124)	(8,021,294)
11	Provision for Deferred Income Taxes -Utility Operating Income	410.1	32,261,167	32,261,167
12	Investment Tax Credits-Utility Operations, Restored to Operating Income	412.2	(101,928)	(101,928)
13	Total Operating Expenses		290,299,228	330,715,308
14				
15	Total Net Utility Operating Income		159,715,619	205,876,226
16				
17	Nonutility Operating Income	415-418	53,885	53,885
18	Interest and Dividend Income (Net)	419	2,087,558	2,087,558
19	Allowance for Funds Used During Construction	420	3,809,706	3,809,706
20	Gains(Losses) from Disposition of Non-Utility Property	422	1,042,492	1,042,492
21	Total Other Income		6,993,642	6,993,642
22				
23	Miscellaneous Amortization	425	323,943	323,943
24	Miscellaneous Income Deductions	426	388,013	388,013
25	Total Other Income Deductions		711,956	711,956
26				
27	Income Taxes, Other Income and Deductions	409.2	-	-
28	Total Taxes on other Income and Deductions		-	-
29				
30	Net Other Income and Deductions		6,281,685	6,281,685
31				
32	Interest on Long Term Debt	427	50,645,417	57,732,917
33	Amortization of Debt Discount and Expense	428	1,286,107	1,488,607
34	Other Interest	431	4,281,214	4,281,214
35	Total Interest Charges		56,212,738	63,502,738
36				
37	Net Income		109,784,566	148,655,174

Missouri - American Water Company
Statement of Income for the Twelve Months Ended December 31, 2023 and Pro Forma
Giving Effect as of 12/31/2023 of the Proposed Financing

Narrative Description of Adjustments

1	(1) Depreciation Expense	
2	Record depreciation expense at composite rate of 2.00% on the estimated additional capital expenditures	16,019,000
3		
4	(2) Property & Payroll Taxes	
5	Record property tax effect at blended rate of 1.50% on the estimated additional capital expenditures	12,014,250
6		
7	(3) State Income Taxes	
8	Record state income tax effect at 4% on the proposed new financings	2,050,138
9		
10	(4) Federal Income Taxes	
11	Record federal income tax effect at 21% on the proposed new financings	10,332,693
12		
13	(5) Interest on Long-Term Debt	
14	Annualize interest expense for Long-Term Debt outstanding after issuing proposed new financings	7,087,500
15		
16	(6) Amortization of Debt Expense	
17	Annualize amortization of debt expense for Long-Term Debt outstanding after issuing proposed Long-Term Debt	202,500

Missouri - American Water Company
Calculation of Coverage Ratios
Per Books and Pro Forma Giving Effect of the Proposed Financing

	[A]	[B]	[C] = [A]+[B]
	Per Books	Proposed Financings	Pro Forma
1 Funds from operations / interest coverage			
2			
3 <u>Funds from operations</u>			
4 Net Income from continuing operations	109,784,566	38,870,607	148,655,174
5 Depreciation and Amortization	74,083,385	16,019,000	90,102,385
6 Deferred Income Taxes	32,261,167		32,261,167
7			
8 <u>Other non-cash items</u>			
9 Amortization - Miscellaneous	323,943		323,943
10 Amortization of Debt Expense	1,286,107	202,500	1,488,607
11 Allowance for Funds Used			
12 During Construction	63		63
13 Allowance for Borrowed Funds Used			
14 During Construction	(3,809,769)		(3,809,769)
15 Funds from operations	<u>213,929,462</u>	<u>55,092,107</u>	<u>269,021,570</u>
16			
17 <u>Interest Expense</u>			
18 Interest Expense on Long Term Debt	50,645,417	7,087,500	57,732,917
19 Interest on Short-Term Debt	4,281,214	-	4,281,214
20			
21 Total Interest Expense	<u>54,926,631</u>	<u>7,087,500</u>	<u>62,014,131</u>
22			
23			
24 Funds from operations / interest coverage	<u>3.89x</u>		<u>4.34x</u>
25			
26			
27 Funds from operations / total debt (%)			
28			
29 <u>Total Debt</u>			
30 Long Term Debt (including preferred stock)	1,309,278,335	405,000,000	1,714,278,335
31 Bank Debt - Pending Issuance of Securities	112,017,724	-	112,017,724
32			
33 Total Debt	<u>1,421,296,059</u>	<u>405,000,000</u>	<u>1,826,296,059</u>
34			
35 Funds from operations / total debt %	<u>15.05%</u>		<u>14.73%</u>
36			
37 Total debt / total capital (%)			
38			
39 <u>Total Capital</u>			
40 Total Debt	1,421,296,059	405,000,000	1,826,296,059
41 Total Common Equity ¹	1,391,640,778	400,000,000	1,791,640,778
42			
43 Total Capital	<u>2,812,936,837</u>	<u>805,000,000</u>	<u>3,617,936,837</u>
44			
45 Total debt / total capital	<u>50.53%</u>		<u>50.48%</u>