

## MODIFICATION TO AGREEMENTS

This is an amendment and modification entered this 31<sup>st</sup> day of March, 2006 to two agreements entered by and between SHAWNEE BEND DEVELOPMENT CO., L.L.C. (Shawnee Bend) MAJESTIC POINTE DEVELOPMENT COMPANY, L.L.C. (Majestic Pointe) and LAKE REGION WATER AND SEWER CO. (LRWS) in connection with the potable water and sewer service to an area under development in Camden County, Missouri.

### **BACKGROUND**

The parties entered two agreements, one dated May 26, 2004 (Agreement No 1) and the other on May 28, 2004 (Agreement No. 2) regarding the rights and duties of the parties with respect to development of two separate residential condominium projects and the extension of water and wastewater utilities thereto.

Pursuant to those agreements, LRWS has filed application(s) with the Missouri Public Service Commission (Commission) by which to acquire the necessary certification to lawfully supply service, and the Commission staff has preliminarily reviewed the application(s).

The amendments to Agreement Nos. 1 and 2 herein have been recommended by the Commission staff and it is the opinion of the parties that if they are not made as suggested, the Commission will not approve the applications for service before it. .

**NOW THEREFORE**, notwithstanding any contrary provisions in Agreement No. 1 or Agreement No. 2, and in exchange for no additional consideration except that contained in Agreement No. 1 and Agreement No. 2 (sometimes referred to as the "Initial Agreements") the sufficiency of which is acknowledged, the parties agree as follows:

1. **Contribution In Aid of Construction Surcharge.** Subject to the approval of the Commission, LRWS shall collect a **Contribution in Aid of Construction (CIAC) Surcharge** from each newly connected customer that is located within LRWS's certificated utility service area, as authorized in Case No. WA-2005-0463 and SA-2005-0464, and who is connected directly or indirectly to the Project as contemplated by the Initial Agreements but who is not located inside either the Majestic Pointe Condominium Project or the Shawnee Bend Project. For single family residential customers, and each unit of multi-family residential buildings, LRWS shall propose that the Commission approve a CIAC Surcharge of \$675.00 for water and \$675.00 for sewer. The amount for commercial customers, if any, shall be based on water usages. The CIAC Surcharge amounts shall be included in LRWS's approved Schedules of Rates, Rules and Regulations (tariffs), and shall be paid in addition to any other authorized fees and

charges. The amount of the CIAC Surcharge shall in all respects be subject to Commission approval.

2. **Refunds to Majestic Pointe and Shawnee Bend.** CIAC Surcharges collected by LRWS shall be paid to Majestic Pointe and Shawnee Bend on December 30 of each year for no longer than 12 years at a 71% - 29% ratio, as contemplated by the Initial Agreements, free of interest. Majestic Pointe and Shawnee Bend shall not be entitled to refunds derived from CIAC Surcharges collected from new customers within the Majestic Pointe Condominium Project or the Shawnee Bend Project. The total amount refunded to Majestic Pointe and Shawnee Bend, in the aggregate, shall not exceed the total cost of the Project, as referred to in the Initial Agreements, minus the CIAC Surcharge amounts collected for connections in the Majestic Pointe Condominium Project and the Shawnee Bend Project.

3. **No Other Compensation.** Except as set forth in the preceding sections of this modification, Majestic Pointe and Shawnee Bend shall be entitled to no other compensation under the Initial Agreements or this modification.

4. **Transfers of Real Property Interests and Installed Lines.** Within thirty (30) days of the effective date of the Commission order approving LRWS's application in Case Nos. WA-2005-0463 and SA-2005-0464, Majestic Pointe and Shawnee Bend shall transfer and convey to LRWS all their right, title and interest in all easements, real property, pipelines, and any appurtenant equipment, facilities or personal property related thereto that are associated with the Project referred to in the Initial Agreements.

5. **Effect of Transfers of Real Property and Installed Lines.** Any transfer or conveyance to LRWS of interests in any property, real or personal, pursuant to this modification shall be unconditional and without possibility of reverter for any reason, it being the intention of the parties that after any such property is transferred and conveyed to LRWS it shall become part and parcel of the regulated company. Any subsequent sale, transfer or use of such property shall be subject to the Public Service Commission Law of the State of Missouri.

6. **Terms of Initial Agreements.** Except as set forth herein, the terms, provisions and conditions of the Initial Agreements are unaltered or affected by this modification and remain in force and effect between the parties.

IN WITNESS WHEREOF, the parties have executed this modification effective the date first above written.

SHAWNEE BEND DEVELOPMENT CO. L.L.C.

By:

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Thomas H. Biggs, Managing Member

MAJESTIC POINTE DEVELOPMENT CO.,  
L.L.C.

By: \_\_\_\_\_  
Mel Bauer, Managing Member

LAKE REGION WATER AND SEWER CO.

By: Robert P. Schwermann  
Robert P. Schwermann, President