

May 25, 2022

Ms. Nikki Pacific
Manager Business Development – Proposal & Integration
Missouri American Water Company
727 Craig Road
St. Louis, Missouri 63141

Re: **Valuation Report
City of Ironton
Iron County, Missouri
Water Delivery and Wastewater Collection Systems Appraisal**

Dear Ms. Pacific:

In accordance with your request, we have made a physical inspection on December 20, 2021¹, of the facilities and real estate that comprise the City of Ironton water and wastewater systems' assets.²

The water delivery and wastewater collection systems (referred to herein as "the subject properties") are owned by the City of Ironton and are located in Iron County, Missouri. The customer count includes 726 water customers and 705 wastewater customers.

The purpose of the appraisal report was to arrive at opinions of market value of the subject water and wastewater systems as private systems (the intended use) as of the date of our inspection of the subject property systems.

¹ All three appraisers inspected the subject property on December 20, 2021. Joseph Batis re-inspected the subject property on May 22, 2022. For this assignment, the date of valuation is the date that all three appraisers inspected the property (December 20, 2021.)

² Throughout the attached appraisal report, any reference to the appraisers' "inspection", "subject property inspection", "inspection of the subject property", "inspection of the subject water and wastewater systems", etc., refers to the appraisers' customary task of viewing the subject property for purposes of observing the condition, layout, design, and utility of the real property (land and building), as is typical in the appraisal profession and in the framework of completing the appraisal process. The reference to the term "inspection" in the context of the appraisers' work should not be interpreted to suggest the appraisers have any expertise and/or qualifications in the assessment of the condition and functionality of any mechanical and non-mechanical components of the subject property water and wastewater systems. The appraisers refer the client and intended users of the attached appraisal report to the engineer's report for an assessment of the water and wastewater systems' infrastructure components. The three professional real estate appraisers co-signing the attached appraisal report are not qualified to independently detect and assess the condition and functionality of the water and wastewater systems' infrastructure components. However, the three professional real estate appraisers co-signing the attached appraisal report assume that the water and wastewater systems' components (including the plant, pumps, and all related facilities) are in proper working order and have been maintained adequately to meet all pertinent codes and regulatory requirements.

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This Appraisal Report is prepared in conformance with Standards Rule 2-2(a) of the 2020-2023 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP). In addition to being prepared in compliance with USPAP, this appraisal has been prepared in accordance with the *Code of Ethics* and *Standards of Professional Practice* of the Appraisal Institute.

In completing our analysis of the subject property water and wastewater systems, we relied on a report prepared by Flinn Engineering, dated March 14, 2022 (“the Flinn report”). The Flinn report is attached to this appraisal report. Based upon our analysis of the subject property systems and taking into consideration the independent report prepared by Flinn Engineering, our opinions of the market values of the City of Ironton systems are as follows:

Market Value of Water Delivery System	Market Value of Wastewater Collection System
\$2,000,000	\$1,700,000

This appraisal report is prepared subject to the Extraordinary Assumptions found on Pages 12-14. The assumptions address several significant issues that impact the analysis and conclusions presented in the attached report, including:

Each of the three appraisers co-signing this appraisal report (Mr. Dinan, Mr. Batis, and Ms. Goodman Schneider) participated in the assignment by collecting and analyzing relevant data, and forming the opinions and final conclusions.

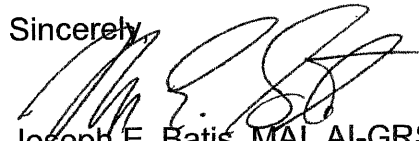
In addition, Mr. Jordan Leiner and Ms. Elizabeth S. West of Dinan Real Estate assisted in the collection of data for this assignment. While each of the appraisers performed different tasks and were responsible for different parts of this valuation assignment, the appraisers consulted throughout the assignment with each other, the client, and representatives from the City of Ironton.

We certify that we personally have no undisclosed interest, either present or contemplated, in the real estate described herein as the subject properties; furthermore, neither the procurement of this appraisal assignment nor the negotiated compensation was contingent upon predetermined conclusions of value, value estimates which advocate the client's position, or the occurrence of any subsequent event.

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On behalf of Utility Valuation Experts, Inc., Goodman Appraisal Consultants, LLC, and Dinan Real Estate Advisors, Inc., we appreciate the opportunity to prepare this appraisal report for the Missouri American Water Company. Please feel free to contact the undersigned should you have any questions regarding the assignment.

Sincerely,



Joseph E. Batis, MAI, AI-GRS, R/W-AC
Utility Valuation Experts, Inc.

General Certification Lic. #553.000493 (IL; Expires 09/23)
General Certification Lic. #2016044083 (MO; Expires 06/22)
General Certification Lic. #CG03684 (IA; Expires 06/22)
General Certification Lic. #5660 (TN; Expires 06/23)
General Certification Lic. #4001017857 (VA; Expires 06/23)
General Certification Lic. #TX 131049 G (TX; Expires 11/22)
General Certification Lic. #A8416 (NC; Expires 06/22)
General Certification Lic. #CGA-1027103 (AZ; Expires 07/23)
General Certification Lic. #CGA-1027103 (AZ ; Expires 07/23)



Edward W. Dinan, CRE, MAI
Dinan Real Estate Advisors, Inc.

State Certified General Real Estate Appraiser RA001300 (MO; Expires 06/22)



Elizabeth Goodman Schneider, ASA
Goodman Appraisal Consultants, LLC

Colorado Certified General Appraiser No. CG.200001080 exp 12/31/2023
Florida State Certified General Real Estate Appraiser No. RZ4093 exp 11/30/2022
Illinois Certified General Real Estate Appraiser No. 553-001973 exp 9/30/2023
Indiana Certified General Real Estate Appraiser No. CG41700036 exp 6/30/2022
Iowa Certified General Appraiser No. CG02980 exp 6/30/2022
Kentucky Certified General Real Property Appraiser No. 5262 exp 6/30/2022
Louisiana Certified General Appraiser No. APR.04505-CGA exp 12/31/2023
Minnesota Certified General Real Property Appraiser No. 40232088 exp 8/31/2022
Missouri State Certified General Real Estate Appraiser No. 2016042105 exp 6/30/2022
Ohio Certified General Real Estate Appraiser No. ACGO.2017003680 exp 8/10/2022
Pennsylvania Certified General Appraiser No. GA004327 exp 6/30/2023
Rhode Island Certified General Appraiser No. CGA.0020068 exp 8/17/2023
Wisconsin Certified General Appraiser No. 1586-010 exp 12/14/2023