

TERRITORIAL AGREEMENT

THIS AGREEMENT, made and entered into this 18th day of September, 1995, by and between the CITY OF MARSHALL, MISSOURI, hereinafter referred to as "CITY," or FIRST PARTY, and CENTRAL MISSOURI ELECTRIC COOPERATIVE, INCORPORATED, hereinafter referred to as "COOPERATIVE," or SECOND PARTY;

WHEREAS, Section 394.312 of the Revised Statutes of Missouri provides that competition to provide retail electric service as between rural electric cooperatives and municipally-owned utilities may be displaced by written territorial agreements specifically designating the boundaries of the electric service area of each electric service supplier subject to said agreement; and,

WHEREAS, the parties hereto believe that such territorial agreements between the parties hereto would eliminate or reduce duplication of facilities which results in waste of resources and increases consumer costs and, therefore, the parties hereto believe that the within territorial Agreement will be beneficial not only to the parties hereto but also to the power consumers within all affected areas; and,

WHEREAS, the CITY and the COOPERATIVE desire to avoid wasteful duplication of services and unnecessary additional costs to their respective customers.

NOW, THEREFORE, the CITY and COOPERATIVE, in consideration of the mutual covenants and agreements herein set forth and contained, agree as follows:

1. The electric service area of the CITY is described in 'Exhibit 1' to this Agreement and illustrated by the map marked 'Exhibit 2,' both of which are hereby expressly incorporated herein by reference and made a part of this Agreement as fully as if set out herein verbatim.
2. The CITY shall provide electric service to all those meter locations that it presently has within its electric service area, and to all new meter locations or electric customers within its electric service area. The COOPERATIVE acknowledges that the CITY may continue to provide electric service outside of its electric service area to those meter locations to which it currently provides electric service.
3. The electric service area of the COOPERATIVE within the immediate area surrounding the CITY is all of that area as shown on 'Exhibit 2' herein, except that portion thereof designated as the service area of the CITY.

4. The COOPERATIVE shall provide electric service to all those meter locations that it presently has within its electric service area and to all new meter locations or electric customers within its electric service area. The CITY acknowledges that the COOPERATIVE may continue to provide electric service outside of its electric service area to those meter locations to which it currently provides electric service.

5. Customers or meter locations of the parties hereto shall not be allowed to switch from one party hereto to the other without the mutual written consent of the parties hereto. All agreements to transfer customers, assets or facilities shall be reduced to writing and approved by the respective governing bodies of the parties hereto prior to the actual transfer of the customers or meters. Such approval on behalf of the CITY shall be made by its Board of Public Works, and such approval on behalf of the COOPERATIVE shall be made by its Board of Directors.

6. The parties hereto mutually agree that either party may service its own facilities even if located within the service area of the other party, except when such service would result in duplication of current services or other wasteful duplication of facilities.

7. The parties hereto further mutually covenant and agree that if the CITY annexes areas set forth and contained within the COOPERATIVE'S service territory, the provisions of paragraph 4 above notwithstanding, the CITY shall have the sole and exclusive right to serve all new electrical customers within such annexed area, and the COOPERATIVE may continue to provide electric service to those meter locations to which it provided electric service prior to such annexation.

8. The initial term of this Agreement shall be ten (10) years from and after the date this Agreement is approved by the Missouri Public Service Commission. Thereafter, this Agreement shall automatically be renewed for successive five-year terms unless either party hereto shall notify the other party in writing of its intent to terminate this Agreement at least one (1) year in advance of any such renewal date.

9. The value of any assets or facilities to be transferred between the parties hereto shall be determined by using the current replacement cost of the asset or facility at the time of the transfer less the straight line depreciation determined by the useful life of the asset or facility for the time the asset or facility has been in place.

10. This Agreement shall be binding upon the parties hereto and all subsidiaries, successors in interest, and assigns of the respective parties hereto.

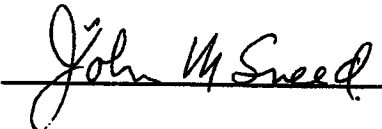
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on behalf of the CITY by ordinance duly passed and executed by its Mayor and City Clerk, and on behalf of the COOPERATIVE by resolution duly adopted by its Board of Directors and signed by its President and attested by its Secretary, all as of the day and year first above written.

All signatures below are required for this Agreement to be effective.


Central Missouri Electric Cooperative

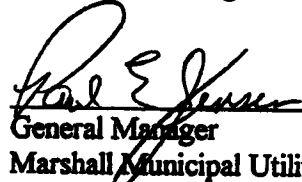
Date 9/21/95

ATTEST:



Date 9/22/95

By action of its 9/13/95 meeting,
the Board of Public Works recommends
approval of the Agreement


General Manager
Marshall Municipal Utilities

Date 9/14/95

Approved by the City Council of the City of
Marshall by Ordinance # 6902


Mayor, City of Marshall

Date 9/20/95

ATTEST:


City Clerk, City of Marshall

Date 9/19/95

EXHIBIT 1

Electric Service Area of the City

All that area within the corporate limits of the City of Marshall, and

An area in the east part of the north 1/2 of the north 1/2 of the southwest quarter of Section 23, Township 50 north, Range 21 west, of Saline County, Missouri, more particularly described as:

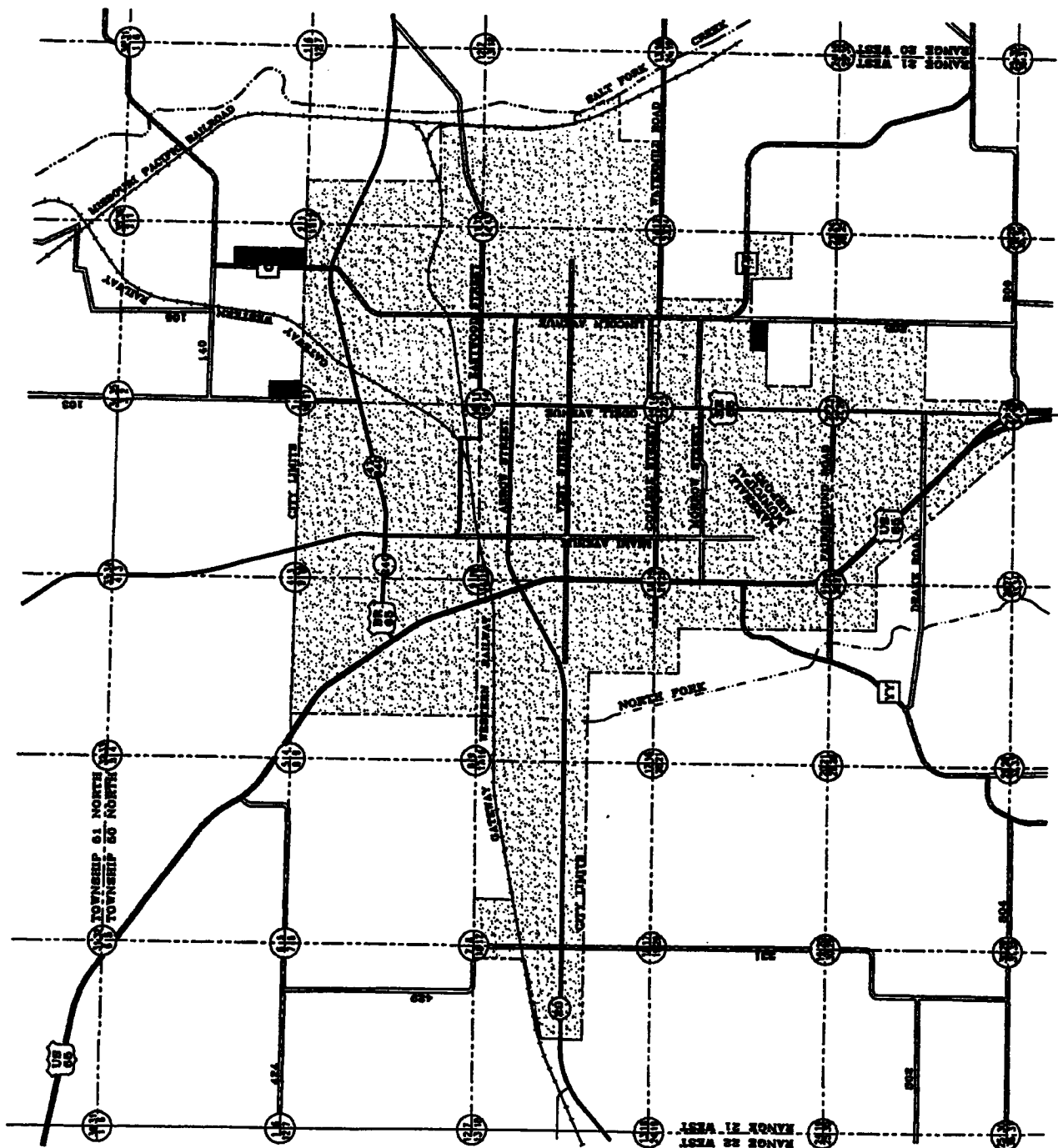
Beginning at an iron rod at the center of said Section 23; Thence south 00° 43' 13" west following the 1/2 section line a distance of 660.00 feet; Thence north 88° 30' 13" west a distance of 1041.45 feet; Thence north 00° 24' 08" east to the 1/2 section line of said Section 23; Thence east along said 1/2 section line to the point of beginning; and

An area in the southeast quarter of Section 2, Township 50 north, Range 21 west, of Saline County, Missouri, more particularly described as:

The west 500 feet of the east half of the southeast 1/4 of said Section 2, except 600 feet off the north end; and

An area in the southwest quarter of Section 2, Township 50 north, Range 21 west of Saline County, Missouri, more particularly described as:

The west 500 feet of the southwest 1/4 of the southwest 1/4 of said Section 2.



N



LEGEND

- Railroad
- Federal Highway
- State Highway
- State Lettered Highway
- County Road or City Street
- City Limits
- Stream or River
- City Service Area Within City Limits
- City Service Area Outside City Limits

EXHIBIT 2 CITY'S ELECTRIC SERVICE AREA

CITY OF MARSHALL,
MISSOURI

TSOON B31V
SALINE COUNTY

ORDINANCE NO. 6902

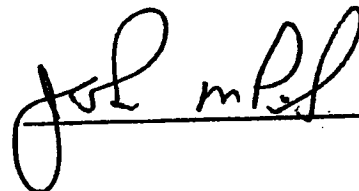
AN ORDINANCE AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY OF MARSHALL, MISSOURI, TO EXECUTE A TERRITORIAL AGREEMENT BETWEEN THE CITY OF MARSHALL, BOARD OF PUBLIC WORKS, AND CENTRAL MISSOURI ELECTRIC COOPERATIVE, INCORPORATED.

BE IT ORDAINED by the Council of the City of Marshall, Missouri, as follows:

Section 1. That the Mayor of the City of Marshall, Missouri, is hereby authorized and directed to execute on behalf of said City, a certain Territorial Agreement between Central Missouri Electric Cooperative, Incorporated, and the City of Marshall, Board of Public Works, to designate the boundaries of the electric service area of each electric service supplier.

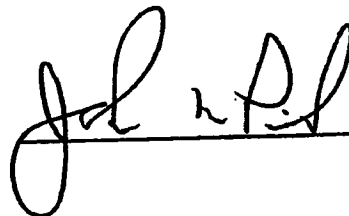
Section 2. This ordinance shall be in full force and effective from and after its passage and approval.

PASSED by the Council of the City of Marshall, Missouri, this 18th day of September, 1995.



President Pro Tem

APPROVED by the Mayor this 18th day of September, 1995.



Mayor Pro Tem

FILED this 18th day of September, 1995.

Janet L. French
City Clerk