

TERRITORIAL AGREEMENT

THIS AGREEMENT is made and entered into as of this 24th day of June, 2008, by and between the CITY OF TRENTON, MISSOURI, a political subdivision of the 3rd Class organized and existing under the laws of Missouri with its principal office located at 1100 Main Street, Trenton, Missouri ("Trenton") and GRUNDY ELECTRIC COOPERATIVE, INC., a Missouri rural electric cooperative organized and existing pursuant to Chapter 394, RSMo with its office located at 4100 Oklahoma Avenue, Trenton, Missouri ("Grundy").

WITNESSETH:

WHEREAS, Trenton and Grundy are authorized by law to provide electric service within certain areas of Missouri, including portions of Grundy County; and

WHEREAS, Sections 394.312 and 416.041 RSMo 2005, provides that competition to provide retail electrical service as between rural electric cooperatives such as Grundy and electrical corporations such as Trenton may be displaced by written territorial agreements;

WHEREAS, Trenton and Grundy desire 1) to promote the orderly development of retain electrical service within a portion of Trenton, Grundy County, Missouri, 2) to avoid unnecessary duplication of electrical facilities therein, and 3) to most effectively avail themselves of prior investment and planning for serving the public; and

WHEREAS, this Territorial Agreement does not require any customer of either Trenton or Grundy to change its supplier, except for the provision that Grundy Electric Cooperative, Inc. will be allowed to serve itself;

NOW, THEREFORE, Trenton and Grundy, in consideration of the mutual covenants and agreements herein contained, the adequacy and sufficiency of which are hereby acknowledged, agree as follows:

1. Description of Territory Affected.

A. This Agreement pertains only to one tract of land in Grundy County, Missouri, described as follows:

All of the SW ¼ of Section 4, T61N, R24W, West of old U.S. Highway No. 65, Except the North 90 acres thereof; being a tract of land more specifically described as commencing at the SW corner of Section 4, T61N, R24W, Grundy County, Missouri, and running thence North 1054 feet along the west line of said Section 4, thence East 2227.6 feet to the West Right-of-way of old U.S. Highway 65, thence in a Southerly direction along said West Right-of-way line to the South of said Section 4, thence West 2244.4 feet along the South line of said Section 4, to the point of beginning, in Grundy County, Missouri.

A tract of land that is located in the Southwest Quarter of Section 4 Township 61 North Range 24 West of the 5th Principal Meridian Grundy County, Missouri, and being more particularly described as follows:

Commencing at an aluminum monument (PLS 1560) found marking the Southwest corner of said Section 4; thence N 00°25'28" E, along the West line of said Section 4 a distance of 1057.33 feet to an aluminum monument (PLS 1560) found marking the Northwest corner of land owned by Grundy Electric Cooperative; thence S 89°36'51" E, along an East – West fence, along the North line of land owned by Grundy Electric Cooperative, a distance of 1121.00' feet to a ½" x 18" bar & plastic cap (PLS 2005000080) set at the POINT OF BEGINNING; thence N 00°01'13" E, parallel with the City of Trenton's East property line, a distance of 420.01 feet to a set ½" x 18" bar & plastic cap (PLS 2005000080); thence S 89°36'51" E, parallel with Grundy Electric Cooperative's North property line, a distance of 933.43 feet to a set ½" x 18" bar & plastic cap (PLS 2005000080); thence S 00°01'13" W, parallel with the City of Trenton's East property line, a distance of 420.01 feet, to a ½" x 18" bar & plastic cap (PLS 2005000080) set on the Grundy Electric Cooperative's North property line; thence N 89°36'51" W, along the

Grundy Electric Cooperative's North property line, a distance of 933.43 feet to the POINT OF BEGINNING.

The above-described tract of land being split from land owned by the City of Trenton (Book 481, Page 51 – Book 541, Page 245 – Grundy County Recorder of Deeds), is in accordance with a survey done by Richard T. Hattesohl (PLS 2005000080) on July 21, 2007, and contains 392040.00 square feet, or 9.000 acres more or less, and is subject to any recorded and unrecorded rights of ways and easements.

The bearings for the tract are Missouri Central State Plane Grid North based on Global Positioning System (GPS) survey measurements.

EXCEPT THE FOLLOWING:

A tract of land that is located in the Southwest Quarter of Section 4 Township 61 North Range 24 West of the 5th Principal Meridian Grundy County, Missouri, and being more particularly described as follows:

Commencing at an aluminum monument (PLS 1560) found marking the Southwest corner of said Section 4; thence N 00°25'28" E, along the West line of said Section 4, a distance of 1057.33 feet to an aluminum monument (PLS 1560) found marking the southwest corner of land owned by the City of Trenton; thence S 89°36'51" E, along the south line of land owned by the City of Trenton, a distance of 33.00 feet to a ½" x 18" bar & plastic cap (PLS 2005000080) set at a fence corner, and the POINT OF BEGINNING; thence continuing S 89°36'51" E, along an East – West fence, along the south line of land owned by the City of Trenton, a distance of 830.00 feet to a set ½" x 18" bar & plastic cap (PLS 2005000080); thence S 00°25'23" W, parallel with the West line of said Section 4, a distance of 420.00 feet to a set ½" x 18" bar & plastic cap (PLS 2005000080); thence N 89°36'51" W, parallel with the South line of land owned by the City of Trenton, a distance of 830.00 feet to a set ½" x 18" bar & plastic cap (PLS 2005000080); thence N 00°25'23" E, parallel with the West line of said Section 4, a distance of 420.00 feet to the POINT OF BEGINNING.

The above-described tract of land being split from land owned by the Grundy Electric Cooperative (Book 285, Page 203 – Grundy County Recorder of Deeds), is in accordance with a survey done by

Richard T. Hattesoehl (PLS 2005000080) on July 21, 2007, and contains 348600.07 square feet, or 8.003 acres more or less, and is subject to any recorded and unrecorded rights of ways and easements.

The bearings for the tract are Missouri Central State Plane Grid North based on Global Positioning System (GPS) survey measurements.

B. This Agreement shall have no effect whatsoever upon service by Grundy or Trenton in any areas other than the annexation.

C. The described tract, hereinafter referred to as "Tract A", has been annexed into the corporate limits of the City of Trenton, Missouri, and thus is not a "rural area" as defined by Section 394.020(3) RSMo 2005.

2. Definitions:

A. For purposes of this Agreement, the references to "structure" have the same meaning as the statutory definition of the term "structure" found in Sections 393.106 and 394.315 RSMo in effect at the relevant time. In the event no such statutory definitions exist or are not otherwise applicable, the term shall be construed to give effect to the intent of this agreement which is to designate an exclusive provider, as between the parties hereto, of retail electric service for anything using or designed to use electricity that is located within the Service Areas described herein.

B. The term "permanent service" shall have the same meaning as the definition of "permanent service" found in Section 394.315 RSMo, in effect at the relevant time. The term shall be liberally construed to give effect to the expressed intent of this Agreement.

C. The term "new structure" shall mean (i) one on which construction has not commenced by the Effective Date, or (ii) one on which construction has commenced by the Effective Date but on the Effective Date is not complete from the standpoint that permanent wiring for the electrical power and energy to be utilized by or within the structure has not been permanently installed and permanently energized by physical connection to the facilities of an electrical supplier, or (iii) one for which the respective electrical inspection authority has not granted a permit by the Effective Date for it to be energized, or (iv) one for which the respective building authority has not granted an occupancy permit by the Effective Date.

D. The term "Effective Date" shall mean 12:01 a.m. of the date on which the Report and Order of the Commission approving this Agreement is effective pursuant to the terms of such Report and Order, unless a writ of review or other proceeding is taken challenging the Report and Order, in which case there shall be no Effective Date of this Agreement until Trenton and Grundy both execute a document which establishes an Effective Date for purposes of this Agreement.

3. Exclusive Service Areas Established.

A. Grundy, pursuant to this Territorial Agreement, shall be entitled to provide permanent service to all structures now located within Tract A and all new structures within Tract A and therefore it shall be considered the exclusive Service Area of Grundy, as between Trenton and Grundy. Trenton now serves Grundy Electric Cooperative Inc. in Tract A and under this Agreement,

Grundy Electric Cooperative, Inc. will be allowed to serve itself. Trenton shall not be allowed to serve any new structures within Tract A.

B. This Agreement does not purport to affect the rights of any electric supplier not a party to this Agreement.

4. Condition Precedent – Regulatory Approvals. This Agreement is conditioned upon receipt of approval of it by the Commission with no changes, or those changes which have been expressly agreed to by Trenton and Grundy. Either party may file an application for rehearing or other document with the Commission prior to the effective date of a Commission order approving this Agreement if the party objects to the form or content of the Commission's order approving the Agreement. If neither party files such an application for rehearing or document prior to the effective date of the Commission order approving this Agreement, it shall be presumed that the approval is satisfactory in form and content to both parties.

5. Service to Structures Receiving Service as of the Date of this Agreement. There is currently one customer with structures located within Tract A on the date of this Agreement which is receiving permanent electric service, Grundy Electric Cooperative, Inc. To the knowledge of Trenton and Grundy, there are no other suppliers of electricity providing permanent electric service within Tract A.

6. Structures Coming Into Existence After the Effective Date.

A. After the Effective Date, Grundy shall have the exclusive right, as between Trenton and Grundy, to provide permanent service to new structures within Tract A.

B. During interim period between the date of execution of this Agreement and the Effective Date, the parties shall abide by the territorial division provisions of this Agreement and may provide provisional service to any customer seeking service. Pending the issuance of a decision by the Commission either granting or denying approval of this Agreement, however, neither party shall construct primary or secondary electric facilities within the territory assigned exclusively to the other pursuant to this Agreement, unless (i) ordered to do so by the Commission or a court of competent jurisdiction or (ii) as a necessary part of the provision of service to its customers in other areas and such construction is within a previously established easement obtained for the purpose of providing service in other areas. In the interim before this Agreement is approved by the Commission, if a new structure should come into existence on one side of the proposed boundary and request service from the party on the opposite side of the boundary, and that party has existing right to provide such service, the parties agree to submit the matter to the Commission for determination in the case docketed for approval of this Agreement. The parties agree to propose to the Commission in such case that the party which will have the exclusive right to serve the customer if this Agreement is approved by the Commission should have the exclusive right and obligation to serve the customer in the interim.

7. Indirect Provision of Service to Structures Not Permitted. The intent of this Agreement is to designate an exclusive provider of electric service for structures or anything else using or designed to use electricity to be located within the described areas. Neither party shall furnish, make available, assist in providing,

render or extend electric service to a structure, which that party would not be permitted to serve directly pursuant to this Agreement, by indirect means such as through a subsidiary corporation, through another entity, or by metering services outside of the area for delivery within the area. This shall not be construed to otherwise prohibit sales of electric power and energy between the parties to this Agreement.

8. Term. The initial term of this Agreement shall be twenty (20) years from and after the Effective Date ("initial term"). Thereafter, this Agreement shall be automatically renewed for successive five (5) year terms ("renewal terms") commencing on the anniversary of the Effective Date ("renewal date") 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. The parties agree that a copy of any notice of termination of this Agreement shall be simultaneously served upon the Executive Secretary of the Commission and the Office of the Public Counsel. Termination of this Agreement shall eliminate the exclusive service territories provided for herein, but shall not entitle a party to provide service to a structure lawfully being served by the other party, or allow a change of supplier to any structure in the other's Service Area hereunder unless such a change is otherwise permitted by law.

9. Cooperation. Trenton and Grundy agree to undertake all actions reasonably necessary to implement this Agreement. Trenton and Grundy will cooperate in presenting a joint application to the commission demonstrating that this Agreement is in the public interest. Grundy shall pay all the costs assessed by

the Commission for seeking administrative approval of this Agreement. All other costs, including but not limited to the attorneys fees of each party, will be borne by the respective party incurring the costs.

10. General Terms.

A. Land Descriptions: The land descriptions utilized in this Agreement are assumed by the parties to be accurate and reliable and to match the maps being submitted; however, where there are maps and the map does not correspond with the metes and bounds description, the map shall be controlling.

B. No Constructive Waiver: No failure of Trenton or Grundy to enforce any provision hereof shall be deemed to be a waiver.

C. Modifications: Neither the boundaries described in this agreement nor any provision of this Agreement may be modified or repealed except by a signed writing of the parties which is approved by all applicable regulatory authorities.

D. Survival: This Agreement shall inure to the benefit and be binding upon the parties, their respective successors and assigns.

E. Lack of Approval or Termination: If the Commission or any other regulatory authority having jurisdiction does not approve this Agreement, this Agreement shall be nullified and of no legal effect between the parties. If this Agreement is terminated pursuant to its terms, it shall thereafter be nullified and of no further legal effect except as may be necessary to govern disputes concerning situations existing prior to such termination. Further, if any part of this Agreement is declared invalid or void by a court or agency of competent jurisdiction, then the

parties shall replace such provision as similarly as possible to the provision which was declared invalid or void so as to return each of them, as much as practical, to the status quo prior to the declaration.

F. This Agreement shall not be construed to prevent either party from obtaining easements or right of way through or in any part of the Service Area of the other if the acquisition of such easement or right of way is reasonably necessary to or desirable for the performance of the party's duties to provide electric service to its customers in other areas.

G. The subsequent platting, re-platting, subdividing, re-subdividing, or re-naming of any parcel or subdivision covered by this Agreement shall not affect the respective rights of Trenton or Grundy established by this Agreement.

11. Subsequent Legislation. This Agreement is reached between the parties based upon their understanding of the current state of the law in Missouri under Section 394.315 RSMo 2005, which allows an electrical supplier, once it lawfully commences supplying retail electric energy to a structure through permanent service facilities, to have the right to continue serving such structure. Further, the concept of service under those sections at the current time contemplates not only the physical provision of the conductors to provide an electrical path and connection between the structure and the conductors of the electrical supplier, but also the provision of electrical power and energy through such conductors. In the event the law in Missouri is changed during any term of this Agreement to provide that the provider of the electrical facilities (i.e. conductors) within the Service Area is

not also required or assumed to be the provider of electrical power and energy (i.e., the electricity), and thereby give customers a choice as to who provides their electricity, as contrasted with who owns the wires over which such electricity is provided, then nothing in this Agreement shall be construed to prohibit Trenton from providing electrical power and energy to structures within the Service Area of Grundy established by this Agreement, or Grundy from providing electrical power and energy to structures within the Service Area of Trenton established by this Agreement, under the terms of such future legislation notwithstanding the terms of this Agreement to the contrary. However, if either §394.315 or §394.312 RSMo are repealed and not reenacted in a form substantially equivalent to their status on the Effective Date, this Agreement shall terminate, coincident with the effective date of the elimination of the current content of §493.315 or §394.312, as the case may be.

IN WITNESS WHEREOF, the parties have executed this Agreement as of this 24th day of June, 2008.

CITY OF TRENTON, MISSOURI

By: [Signature]

Title: Mayor

Attest: [Signature]

(Seal)

GRUNDY ELECTRIC COOPERATIVE

By: [Signature]

Title: President

Attest: [Signature]

(Seal)