

ADDENDUM NO. 2
TO THE
TERRITORIAL AGREEMENT

Between

AQUILA, INC., D/B/A AQUILA NETWORKS-MPS

and

OSAGE VALLEY ELECTRIC COOPERATIVE, INC.

ADDENDUM NO. 2 TO THE TERRITORIAL AGREEMENT

This Addendum No. 2 to the Territorial Agreement ("Addendum") is made and entered into as of the 21st day of October, 2005, by and between AQUILA, INC., D/B/A AQUILA NETWORKS-MPS (hereinafter "Company") and OSAGE VALLEY ELECTRIC COOPERATIVE, INC. (hereinafter "Cooperative").

WITNESSETH:

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

WHEREAS, Section 394.312, RSMo. 2000, provides that competition to provide retail electrical service as between rural electric cooperatives such as Cooperative and electric corporations such as Company may be displaced by written territorial agreements; and

WHEREAS, Company and Cooperative entered into a Territorial Agreement dated June 1, 2004, involving the provision of retail electric service to customers within certain tracts and subdivisions in the City of Peculiar, Cass County, Missouri (hereinafter, the "Territorial Agreement"); and

WHEREAS, the provisions of the Territorial Agreement authorize Company and Cooperative to subsequently agree in writing to amendments to the agreement subject to the approval of the Missouri Public Service Commission ("Commission"); and

WHEREAS, the provisions of this Territorial Agreement, as modified by previous Addendum No. 1 have been approved by the Missouri Public Service Commission; and

WHEREAS, the provisions of the Territorial Agreement are incorporated by reference within this Addendum; and

WHEREAS, this Addendum does not require any customer of either Company or Cooperative to change its supplier;

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

1. Definitions. Unless otherwise defined in this Addendum, capitalized terms shall have the same meaning as ascribed to them in Article I of the Territorial Agreement.

1.1 Effective Date – Effective date of this Addendum shall be the effective date of the order issued by the Commission pursuant to Section 394.312 RSMo. 2000 approving this Addendum.

2. Structure to Be Served- The only New Structure to be served under this Addendum are those to be constructed or erected within and upon lots 1, 2, 3, 4, 5, 6, 7, 8, 9, tract A, and tract B of the City of Peculiar's Commercial Industrial Park, located on the property described as "Parcel E" in Exhibit A attached hereto (hereinafter, the "Industrial Park"). The Industrial Park is located within the Company's service territory.

3. Party to Serve Structure- From and after the Effective Date, Cooperative shall serve the Industrial Park and structures constructed or erected within and upon said Industrial Park and property shall be added to Cooperative's Exclusive Service Area by Second Amended Exhibit A to this Addendum superceding and replacing the current Exhibit A to the Territorial Agreement listing the Exclusive Service Area of Cooperative. The Addendum will have no effect whatsoever upon electric service by Company or Cooperative to any Structure other than those constructed or erected within and upon the Industrial Park.

4. Justification for Addendum- This Addendum will promote efficiencies in providing services to the City of Peculiar as it requires no duplication of electric service facilities as the Cooperative presently has facilities located on the property from which it could provide electric service, and the Company does not have facilities located in the immediate vicinity of the Station from which it could provide electric service. This Addendum and addition of the Station to the exclusive service area of Cooperative will bring efficiencies and savings to the City of Peculiar. Both parties agree that the Addendum is in the public interest.

5. Condition Precedent – Regulatory Approvals -

- A. This Addendum is conditioned upon receipt of approval by the Commission with no changes, or those changes which have been expressly agreed to by Company and Cooperative. Either party reserves the right to file an application for rehearing or other pleading with the Commission prior to the effective date of a Commission order approving this Addendum if the party objects to the form or content of the Commission's order approving the Addendum. If neither party files such an application for rehearing or other pleading prior to the effective date of the Commission order approving the Addendum, it shall be presumed that the approval is satisfactory in form and content to both parties.
- B. Company and Cooperative agree that they shall submit this Addendum to the Commission for its approval, and shall submit therewith the verified statements and justification as required by the terms of the Territorial Agreement.
- C. Company and Cooperative agree that Cooperative is authorized to commence providing electrical service to the Industrial Park at any time on a temporary basis, pending approval by the Commission of this Addendum, in accordance with the terms of the Territorial Agreement. Nothing in this provision shall be deemed to limit Company's ability to provide electrical service to the Industrial Park on a permanent basis in the event the Commission disapproves or fails to approve the Addendum.

6. **Term** - The term of this Addendum shall be the same as that of the Territorial Agreement to which this Addendum relates. Nothing contained herein shall be construed to terminate this Addendum prior to expiration or termination of the Territorial Agreement, or to extend the provisions hereof beyond expiration or termination of the Territorial Agreement.

7. **Cooperation** - Company and Cooperative agree to undertake all actions reasonably necessary to implement this Addendum. Company and Cooperative will cooperate in presenting a joint application to the Commission demonstrating that this Addendum is in the public interest. Cooperative shall pay any costs assessed by the Commission for seeking administrative approval of this Addendum. All other costs, including but not limited to the attorneys fees of each party, will be borne by the respective party incurring the costs.

8. **Modifications** - Neither the provisions regarding service to the Structures described in the Addendum nor any provision of this Addendum shall be modified or repealed except by a signed writing of the parties which is approved by applicable regulatory authorities.

9. **Survival** - This Addendum shall inure to the benefit and be binding upon the parties, their respective successors and assigns.

10. **Lack of Approval or Termination** - If the Commission or any other regulatory authority having jurisdiction does not approve this Addendum, or if the Condition Precedent is not fulfilled, this Addendum shall be nullified and of no legal effect between the parties, except as to providing authority for any temporary provision of electrical service undertaken by Cooperative during the period in which Commission approval was

pending. If this Addendum 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 Addendum 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.

11. Termination – This Addendum may be terminated by either party in the manner set forth in the Territorial Agreement for termination of the Territorial Agreement.

IN WITNESS WHEREOF, the parties have executed this Addendum.

AQUILA, INC., D/B/A AQUILA
NETWORKS-MPS

By: _____

Position: _____

ATTEST: _____

OSAGE VALLEY ELECTRIC
COOPERATIVE

By: _____

President General Manager

ATTEST: _____

SECOND AMENDED EXHIBIT A
EXCLUSIVE SERVICE AREAS OF COOPERATIVE

Parcel A, Harvest Hill, Peculiar, Missouri:

Part of a tract of land as described in Book 777, page 52 in the office of Recorder of Deeds, Cass County, Missouri, being a part of the northwest quarter of the northeast quarter of Section 10, Township 45, Range 32, Cass County, Missouri described as follows: From the Northeast corner of said Section 10, run thence South 89 degrees 42 minutes 29 seconds West, along the North line thereof, 1295.70 feet to the Northeast corner of the Northwest Quarter of the Northeast quarter of said Section 10, said point being the true point of beginning of the Tract to be described: Continuing thence South 89 degrees 42 minutes 29 seconds West, 632.46 feet; thence South 0 degrees 45 minutes 17 seconds east, 781.89 feet; thence South 89 degrees 14 minutes 43 seconds West, 100.30 feet; thence South 3 degrees 27 minutes 54 seconds West 318.73 feet; Thence North 89 degrees 49 minutes 17 seconds East, 764.66 feet to a point on the West line of Lot 87, "Resurvey of Y-Lane Acres" Lots 27 through 90, a subdivision of land in Section 10, Township 45, Range 32, Cass County, Missouri, as previously platted and recorded, thence North 1 degree 11 minutes 37 seconds West along the West line of said "Resurvey of Y-Lane Acres", 1101.48 feet to the true point of beginning. Subject to the right-of-way of 211th Street.

Parcel B, Arnall property, Peculiar, Missouri:

The North 35 Acres of the Northwest Quarter of the Northwest Quarter of Section 14, Township 45, Range 32, in Cass County, Missouri.

Parcel C, Peculiar Industrial Park:

The Northeast Quarter of the Northwest Quarter, the West 10 acres of the Northwest Quarter of the Northeast Quarter, that part of the Northwest Quarter of the Northwest Quarter, lying North and East of U.S. Highway No. 71, that part of the Southwest Quarter of the Northwest Quarter lying North and East of U.S. Highway No. 71 and that part of the Southeast Quarter of the Northwest Quarter, lying North and East of U.S. Highway No. 71, in Section 23, Township 45, Range 32, Cass County, Missouri, except there from a part of the Southeast Quarter of the Northwest Quarter described as beginning at the Southeast corner of said Quarter Quarter Section; thence West and parallel to the half Section line to U.S. Highway No. 71; thence Southeasterly along the Easterly line of said Highway to the half Section line; thence Southeasterly along the Easterly line of said Highway to the half Section line; thence East to the place of beginning, further except there from that part conveyed to Abigail J. Ferrari by warranty deed recorded in Book 1856, Page 63, that part conveyed to David D. Davenport by warranty deed recorded in Book 2084, Page 106, that part conveyed to the City of Peculiar, Missouri by warranty deed recorded in Book 2149, Page 17 and that part platted as PECULIAR HIGHLANDS, according to the recorded plat thereof, recorded in Plat Book 16, Page 32.

Parcel D, Sewer Lift Station, Peculiar, Missouri:

Part of a tract of land described in Book 1336, Page 41, in the Office of the Recorder of Deeds in Cass County, Missouri, being part of the East half of the Southeast Quarter of Section 15, part of the Northeast Quarter of the Northeast Quarter of Section 22, and part of the Northwest Quarter of the Northwest Quarter of Section 23, all in Township 45, Range 32, Cass County, Missouri, described as follows: From the Southwest corner of the East half of the Southeast Quarter of Section 15, aforesaid; run thence North 1 degree 46 minutes 33 seconds East along the West line thereof, 72.92 feet to a point on the Easterly right-of-way line of Peculiar Drive, as now located; thence South 55 degrees 54 minutes 30 seconds East along said right-of-way line, 962.85 feet to the True Point of Beginning of the tract to be described; thence North 34 degrees 05 minutes 30 seconds East, 574.51 feet to a point on the Westerly right-of-way line of U.S. Highway No. 71, as now located; thence South 36 degrees 20 minutes 37 seconds East along said right-of-way line, 1682.17 feet; thence South 53 degrees 39 minutes 23 seconds West along said right-of-way line, 92.90 feet to a point on the Easterly right-of-way line of Peculiar Drive; thence along said right-of-way line on a curve to the left having a radius of 6105.93 feet, a chord bearing of North 51 degrees 03 minutes 17 seconds West and an ARC length of 903.08 feet; thence North 55 degrees 54 minutes 30 seconds West along said right-of-way line, 654.91 feet to the True Point of Beginning.

Parcel E, City of Peculiar Industrial Park, Peculiar, Missouri:

Part of a tract of land described in Book 1336 at Page 41 in the office of the Recorder of Deeds in Cass County, Missouri being in the SE $\frac{1}{4}$ of Section 15, the NE $\frac{1}{4}$ of Section 22, and the NW $\frac{1}{4}$ of Section 23, in Peculiar, Cass County, Missouri more particularly described as follows: Commencing at the SW corner of the East $\frac{1}{2}$ of the SE $\frac{1}{4}$ of said Section 15; thence N 01°46'33" E along the West line of said East $\frac{1}{2}$, a distance of 72.92 feet to a point on the Northerly right of way line of "Peculiar Drive," as it now exists, thence S 55°52'38" E (S 55°54'30" E deed) along said right of way line, a distance of 962.85 feet to the POINT OF BEGINNING; thence N 34°09'56" E (N 34°05'30" E deed), a distance of 574.51 feet to a point on the Southerly right of way line of U.S. Highway 71, as it now exists; thence S 36°19'51" E (S 36°20'17" E deed), along said right of way line, a distance of 1682.17 feet; thence S 54°05'09" W (S 53°39'23" W deed), a distance of 92.90 feet to a point on the Northerly right of way line of said "Peculiar Drive"; thence along said Northerly right of way line along a curve to left having an initial tangent bearing of N 46°47'44" W and a radius of 6105.93 feet, an arc distance of 903.08 feet; thence continuing along said Northerly right of way line N 55°55'44" W (N 55°54'30" deed), a distance of 654.91 feet to the POINT OF BEGINNING, containing 11.23 acres, more or less, all being subject to easements, restrictions, and rights of way.