

Exhibit No.:
Issues: Territorial Agreements

Witness: Daniel I. Beck
Sponsoring Party: MO PSC Staff
Type of Exhibit: Rebuttal Testimony
Case No.: EO-2008-0043
Date Testimony Prepared: November 9, 2007

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

DANIEL I. BECK

THE EMPIRE DISTRICT ELECTRIC COMPANY

AND

OZARK ELECTRIC COOPERATIVE

CASE NO. EO-2008-0043

Jefferson City, Missouri

November 2007

~~Staff~~ Exhibit No. 5
Case No(s). EO-2008-0043
Date 12-18-07 Rptr XF

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of The
Empire District Electric Company and
Ozark Electric Cooperative for Approval
of a Written Territorial Agreement
Designating the Boundaries of an
Exclusive Service Area for Ozark within a
Tract of Land in Greene County, Missouri,
And Associated Requests for Approval of
a Transfer of Facilities and Change of
Supplier

Case No. EO-2008-0043

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)

ss

COUNTY OF COLE)

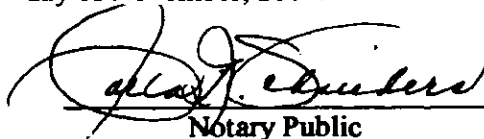
Daniel I. Beck, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 15 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this

day of November, 2007.


Notary Public

My commission expires

7.2008

CARLA K. CIEDERS
a Public - Notary Seal
State of Missouri
County of Cole
M Commission Ex .06/07/2008

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Table of Contents

REBUTTAL TESTIMONY

OF

DANIEL I. BECK

THE EMPIRE DISTRICT ELECTRIC COMPANY

AND

OZARK ELECTRIC COOPERATIVE

CASE NO. EO-2008-0043

Executive Summary 2

Background Regarding This Case..... 3

REBUTTAL TESTIMONY

OF

DANIEL I. BECK

**THE EMPIRE DISTRICT ELECTRIC COMPANY
AND
OZARK ELECTRIC COOPERATIVE**

CASE NO. EO-2008-0043

Q. Please state your name and business address.

A. My name is Daniel I. Beck and my business address is Missouri Public Service Commission, P. O. Box 360, Jefferson City, Missouri 65102.

Q. What is your present position with the Missouri Public Service Commission (MOPSC or Commission)?

A. I am employed by the Commission as the Supervisor of the Engineering Analysis Section, Energy Department, Utility Operations Division.

Q. Would you please review your educational background and work experience?

A. I graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Missouri at Columbia. Upon graduation, I was employed by the Navy Plant Representative Office in St. Louis, Missouri as an Industrial Engineer. I began my employment at the Commission in November, 1987, in the Research and Planning Department of the Utility Division (later renamed the Economic Analysis Department of the Policy and Planning Division) where my duties consisted of weather normalization, load forecasting, integrated resource planning, cost-of-service and rate design. In December, 1997, I was transferred to the Tariffs/Rate Design Section of the Commission's Gas Department where my duties include weather normalization, annualization, tariff review, cost-of-service

1 and rate design. Since June 2001, I have been in the Engineering Analysis Section of the
2 Energy Department, which was created by combining the Gas and Electric Departments. I am
3 a Registered Professional Engineer in the State of Missouri. My registration number is E-
4 26953.

5 **Executive Summary**

6 Q. What are Empire District Electric Company (Empire) and Ozark Electric
7 Cooperative (Ozark) requesting in their Joint Application?

8 A. Empire and Ozark (collective referred to as Applicants) are seeking the following:

9 a) Approval of a territorial agreement granting exclusive territory to Ozark;

10 b) The sale of facilities from Empire to Ozark; and

11 c) A change of supplier for existing customers of Empire in the proposed territory
12 from Empire to Ozark.

13 Q. What is your understanding of the legal standard that must be met for these three
14 items?

15 A. It is my understanding that a territorial agreement and the sale of facilities must not
16 be detrimental to the public interest and the change of supplier must be in the public interest
17 for a reason other than rate differential.

18 Q. Does the Application meet these standards?

19 A. In paragraph 9 of the Application, the Applicants state that the Territorial
20 Agreement is in the public interest because it establishes exclusive service obligations for
21 existing and new structures. They also states that future duplication of electric service
22 facilities will be prevented and customers will know with certainty the supplier of electric
23 service. However, Empire's witness only states that "In the face of possible annexation of the

1 development by the City, it will provide certainty as to the electric supplier in this particular
2 subdivision." I do not believe the public interest that is affected by this Application is limited
3 to the existing and new customers in this subdivision. Instead, the public to be considered
4 needs to include the interests of the customers of Empire and Ozark as well as the interests of
5 the City of Republic before a proper determination of the public interest can be made.

6 Q. Are there any other issues related to the Application?

7 A. Yes. The Application and the direct testimony discuss the sale of facilities from
8 Empire to Ozark but never mention how the fees collected by Empire from the developer or
9 the current customers would be treated as part of this sale. Based on Empire's Data Request
10 responses, Staff believes that Empire has not collected the fees that are established in its
11 extension policy that is part of its tariff. Instead, Empire only collected those fees that
12 Ozark's tariffs would have collected from the developer and customers. There are no
13 provisions of Empire's tariff that allow Empire to collect fees based on Ozark's tariffs without
14 approval of a variance and such a request for variance was rejected in Case No. EE-2007-
15 0030.

16 **Background Regarding This Case**

17 Q. Do Empire's witness Michael E. Palmer and Ozark's witness Patrick Prewitt
18 discuss in their direct testimony background facts to the filing of the Joint Application in this
19 case?

20 A. Yes. Both witnesses discussed the facts surrounding Case Nos. EO-2007-0029
21 and EE-2007-0030. Both witnesses also described the current Application as an attempt to
22 return "the parties to their prior status" [Prewitt Direct, page 5, line 81] or "to put everyone

1 back in the place they were in before the previous attempt at a territorial agreement" [Palmer
2 Direct, page 4, Lines 6-7].

3 Q. How would you characterize the facts surrounding Case Nos. EO-2007-0029 and
4 EE-2007-0030?

5 A. In general, I think the Order, testimony, transcripts and other documents in the
6 Official Case file speak for themselves; however, since the emphasis seems to be on returning
7 to the status prior to these two Cases, I offer the following timeline to aid in understanding
8 both these two Cases and this case.

- 9 • February 14, 1994 – Franchise Agreement between Empire and the City of
10 Republic is passed and approved by the Board of Alderman. Attached to my
11 testimony as Schedule 1 is a copy of the Franchise Agreement that was
12 provided to Staff by the City of Republic.
- 13 • June 16, 2005 – Development Agreement signed by the developer of The
14 Lakes at Shuyler Ridge and the City of Republic which included Section C,
15 Annexation, which referred to the "Irrevocable Consent to Annexation" which
16 was attached. Attached to my testimony as Schedule 2 is a copy of the
17 Development Agreement that was provided to Staff by the City of Republic.
- 18 • July 15, 2005 – Executed Development Agreement sent to the City of Republic
19 from the Shuyler Ridge Development.
- 20 • September 15, 2005 – Agreement for the Purchase of Electric Power and
21 Energy between Ozark and developer was signed. Attached to my testimony
22 as Schedule 3 is a copy of this Agreement that was included in the Application
23 for Variance in Case No. EE-2007-0030.

- 1 • March 23, 2006 – Meeting between Empire, Ozark, the City of Republic and
2 two different sets of developers to finalize any issues regarding a territorial
3 agreement between Empire and Ozark.
- 4 • May 18, 2006 – Ozark sent invoice for \$177,921.74 to Empire for facilities at
5 The Lakes at Shuyler Ridge. Attached to my testimony as Schedule 4 is a copy
6 of the invoice that was provided to Staff by Empire in response to Staff Data
7 Request No. 1.
- 8 • June 12, 2006 – Invoice for \$3,800.00 to supply and install thirty-eight (38)
9 lights on fiberglass light poles sent from Empire to The Lakes at Shuyler Ridge
10 Property Owners Association, Inc. Invoice paid on January 1, 2007. Attached
11 to my testimony as Schedule 5 is a copy of the Staff Data Request No. 6 that
12 includes the invoice dated June 12, 2006.
- 13 • June 15, 2006 – Invoice for \$800.00 sent from Empire to the developer of The
14 Lakes at Shuyler Ridge to supply and install eight (8) lights on fiberglass light
15 poles. Invoice paid on July 17, 2006. Attached to my testimony as Schedule 6
16 is a copy of the Staff Data Request No. 6 that includes the invoice dated June
17 15, 2006.
- 18 • June 29, 2006 – First Territorial Agreement signed by Empire and Ozark with
19 Empire's exclusive territory containing approximately 4.5 square miles
20 including The Lakes at Shuyler Ridge and Ozark's exclusive territory
21 containing approximately 4.0 square miles.

- 1 • July 18, 2006 – Ozark and Empire file Joint Application for approval of First
2 Territorial Agreement and Empire files Application for Variance with the
3 Commission in Case Nos. EO-2007-0029 and EE-2007-0030, respectively.
- 4 • January 30, 2007 – Commission issues its *Report and Order* for Case Nos.
5 EO-2007-0029 and EE-2007-0030, denies the requested variance and,
6 therefore does not approve the territorial agreement, since the territorial
7 agreement was expressly dependent on Empire obtaining the requested
8 variance from its own tariff.
- 9 • August 14, 2007 - First Territorial Agreement signed by Empire and Ozark
10 with Empire receiving no exclusive territory and Ozark's exclusive territory
11 being The Lakes at Shuyler Ridge subdivision, which is approximately 245.15
12 acres.
- 13 • August 15, 2007 – Application filed creating the current case, Case No. EO-
14 2007-0043.

15 Q. Are the Staff's concerns in this case the same concerns the Staff had in Case Nos.
16 EO-2007-0029 AND EE-2007-0030, which were tried together?

17 A. No. In the previous cases, Staff supported the territorial agreement, which covered
18 approximately 8.5 square miles (or approximately 5,440 acres) and would have essentially
19 divided the area equally between the two utilities, but opposed the requested variance from
20 Empire tariff provisions for The Lakes at Shuyler Ridge subdivision; variances that, in the
21 Staff's opinion, would have resulted in undue preferences for the developers of a single
22 subdivision, The Lakes at Shuyler Ridge subdivision. The previous cases did not include a
23 change of supplier since no customers were being served when those cases were filed and

1 neither included the sale of any of Empire's facilities. In contrast, the current application only
2 involves the subdivision itself, about 245.15 acres (or approximately 4.5% of the area covered
3 by the previous agreements) with only one utility receiving an exclusive service area, requires
4 that customers within the subdivision change suppliers, and requires the sale of Empire's
5 facilities of at least \$793,244.81 in value. In addition, in the current case, Staff is concerned
6 that Empire has neither complied with nor enforced its tariffs with regards to The Lakes at
7 Shuyler Ridge subdivision.

8 Q. In the timeline that you gave, the first item was the approval of the Franchise
9 Agreement between Empire and the City of Republic which was passed and approved by the
10 Board of Alderman February 14, 1994. Is this document significant?

11 A. Yes. First, this document establishes that Empire has a franchise to serve
12 customers inside the city limits of Republic until 2014. In Staff's Data Request No. 7, which
13 is attached to my testimony as Schedule 7, Empire confirms that it is the predominant supplier
14 within the City of Republic. Since electric cooperatives are excluded from serving new
15 customers in cities with populations greater than 1,500 if the cooperative is not the
16 predominant supplier (except in cases where a territorial agreement approved by the
17 Commission allows for the Cooperative to serve new customers), Staff is unaware of any
18 statute under which Ozark can lawfully add new member or customers within the City of
19 Republic at this time.

20 Second, while Staff obtained from the City of Republic a copy of Empire's currently
21 effective franchise agreement with Republic, although also requested, Republic could not
22 provide a franchise agreement for Ozark. For most, if not all, investor-owned utilities a
23 franchise agreement is required for the utility to provide utility service within the city. It

1 appears to the Staff that, under Missouri law, for a cooperative to be able to add new service
2 and customers within a municipality of over 1,500 in population, at a minimum the City must
3 express its consent to the cooperative doing so. A city franchise to the cooperative may be
4 sufficient with a territorial agreement the city has not joined to allow the cooperative to
5 lawfully add new customers within the city. RSMo 394.312.2 refers to "any and all powers
6 granted to a rural electric cooperative by a municipality, pursuant to the agreement to operate
7 within the corporate boundaries of the municipality." More certainty is provided where the
8 city and the cooperative are both participants in a territorial agreement.

9 Q. The second document that you refer to in your timeline is the Development
10 Agreement. What is this document?

11 A. It is an agreement between the developer of The Lakes at Shuyler Ridge
12 subdivision and the City of Republic.

13 Q. Is it important to this case?

14 A. Yes. The Development Agreement addresses a number of topics related to the
15 Shuyler Ridge subdivision and City of Republic. Here is a list of the sections to this
16 document:

- 17 a) Streets
- 18 b) Water and Sewer
- 19 c) Annexation
- 20 d) Street Signs
- 21 e) Street Lighting
- 22 f) Storm sirens
- 23 g) Construction of Public Infrastructure
- 24 h) Building Permits and Inspections
- 25 i) General Obligations
- 26

1 While the section titled Annexation is of particular importance in this case, the other sections
2 outline the terms of other critical infrastructure that would need to be resolved to proceed with
3 development of The Lakes at Shuyler Ridge.

4 The first paragraph of the Annexation section includes the following:

5 "Developer/Owner has agreed to execute an Irrevocable Consent to Annex
6 Agreement, a copy of which is attached hereto and marked Exhibit 4, and
7 which irrevocably requests voluntary annexation into the City. The City may
8 act upon the voluntary annexation request for Subdivision at such time as it
9 may elect. The obligations of Developer/Owner under this Agreement shall
10 continue to exist regardless of whether annexation has occurred."
11

12 Q. Is there any reason why the developer might have been unaware of the Annexation
13 Section of this Development Agreement?

14 A. No, not that I am aware of. Since Annexation is a one of the section titles and
15 Exhibit 4, Irrevocable Consent to Annex Agreement, is attached to the Developer Agreement,
16 it seems unlikely that the developer was unaware of the Annexation provisions. In addition,
17 the next document that is included in my timeline is the Agreement for the Purchase of
18 Electric Power and Energy, which was executed approximately two months after the
19 execution of the Development Agreement between Ozark and the developer of Lakes at
20 Shuyler Ridge subdivision, and it includes the following description of the development
21 agreement between the developer and the City of Republic:

22 "[The development agreement] grants the City the right to govern the timing
23 of voluntary municipal annexation of the development tract."
24

25 This description appears to confirm the City's right to control of the timing of
26 annexation of The Lakes at Shuyler Ridge Subdivision.

1 Q. If the developer of the Lakes at Shuyler Ridge subdivision arranged for
2 electrical service from Ozark, before Ozark and Empire entered into a territorial agreement,
3 why have Ozark and Empire filed this Application?

4 A. It is Staff's understanding that Empire owns the installed facilities that are serving
5 customers in The Lakes at Shuyler Ridge and they are Empire's customers, not Ozark's
6 customers.

7 Q. Did Ozark and the developer of the Lakes at Shuyler Ridge enter into any other
8 later agreements?

9 A. Yes. They entered into an agreement called a "Memorandum Letter of
10 Understanding" dated January 27, 2006, and last signed by a party on February 2, 2006. This
11 agreement specifically deals with Phase One of the Lakes at Shuyler Ridge subdivision and
12 the trenching associated with that phase, but I did not include this document in my timeline,
13 since I do not believe that this document is important to the issues in this case.

14 Q. Have Empire, Ozark, the City of Republic and the developer of The Lakes at
15 Shuyler Ridge held any meetings?

16 A. Yes. They, together with another developer, met on March 23, 2006.

17 Q. What do you know about that meeting?

18 A. Only what appears in the applications filed in this case and in Case Nos. EO-2007-
19 0029 and EE-2007-0030. That information comports with statements made by various
20 witnesses in the previous cases. To my knowledge no Commission Staff or representative
21 from the Office of the Public Counsel attended.

22 Q. In paragraph 6 of its Application for Variances in Case No. EE-2007-0030,
23 Empire stated, "Generally speaking, the meeting revealed sharply opposing interests as to the

1 timing of annexation of the developments by the City due to several aspects of state law.” Do
2 you have any information that would shed light on what the “sharply opposing interests”
3 were?

4 A. It is my understanding the City of Republic wanted to annex the Lakes at
5 Shuyler Ridge in the months following the 2006 meeting. However, the developer wished to
6 delay the annexation until after all the houses have been built, so that he could take advantage
7 of the “Agreement for the Purchase of Electric Power and Energy” he has with Ozark. That
8 agreement has more favorable terms to the developer for the costs of the installation of
9 facilities, including decorative street lights, than Empire’s tariff.

10 Q. Do you know why a developer might give up control of when his development
11 would be annexed by a municipality?

12 A. Based on my experience and understanding of issues related to development
13 and annexation for other municipalities, a developer is often concerned about many utility
14 services and public services. As the list of sections of the Developer Agreement indicates, the
15 City of Republic provides both water and sewer services through its department of public
16 works. Since it is costly to permit, build, and operate a water and/or sewer plant to serve
17 individual homes or subdivisions in unincorporated areas, developers often choose to take
18 advantage municipal water and sewer services, if they can. In return, cities often require
19 agreements regarding the timing of annexation. Sewer services alone can easily result in
20 installation costs of \$10,000 per home for a single dwelling design like a septic tank.

21 Q. The next date on your timeline is May 18, 2006, which is the date of an invoice
22 sent to Empire for facilities at the Lakes at Shuyler Ridge. What is the significance of this
23 document?

1 A. This document transferred the facilities that Ozark had installed to serve The Lakes
2 at Shuyler Ridge. Notably, this transfer was for facilities totaling \$177,921.74 in value.
3 Since that time, Empire has invested another \$600,000 plus in facilities to serve customers at
4 The Lakes at Shuyler Ridge. So a relatively small portion of the facilities had been installed
5 on May 18, 2006. No customers were being served in the subdivision on May 18, 2006.

6 Q. The next two dates on your timeline refer to Empire invoices for \$3,800.00 and
7 \$800.00 for lights on fiberglass poles. Is a cost of \$4,600.00 for 46 lights on fiberglass poles
8 consistent with Empire's tariffs?

9 A. No. The invoices show that all remaining costs are currently waived pending PSC
10 approval. However, the tariffs provide for waiving cost after the PSC has approved a request
11 for variance, not before.

12 Q. Do you know if Empire has otherwise complied with its tariff, as the tariff applies
13 to The Lakes at Shuyler Ridge?

14 A. Yes, I believe it has not. It is my understanding that, under Empire's tariff, the
15 developer would have been required to pay for in advance over \$1,700,000 in costs to extend
16 facilities not related to street lighting, and that, even after Empire paid the developer refunds
17 based on customers beginning new service in the subdivision, the would never have been
18 refunded approximately \$300,000. These costs were discussed in great detail in the two
19 previous cases.

20 Q. The next three dates all pertain to the previous territorial agreement and the two
21 previous cases. Are these dates and the associated documents important?

1 A. Yes. However, this is all part of the record in Case Nos. EO-2007-0029 and EE-
2 2007-0030 and is discussed in the direct testimony of Empire's and Ozark's witnesses in the
3 current case.

4 Q. The final two dates refer to the new territorial agreement and the Application that
5 started the current case. Are these dates important?

6 A. Yes. This is the reason that the current case exists.

7 Q. Earlier, you mentioned that public interest should be considered for several
8 different entities or groups. Would you explain?

9 A. Yes. I believe each of the following entities or groups have a different interest in
10 this case:

- 11 1. The developer;
- 12 2. The City of Republic;
- 13 3. The existing customers in The Lakes at Shuyler Ridge subdivision;
- 14 4. The existing customers of Ozark;
- 15 5. The shareholders of Empire; and
- 16 6. The customers of Empire.

17 I believe it is fairly clear that the developer would save a significant amount of money if it
18 could both avoid Empire's extension fees and pay the \$100 per light pole that Ozark would
19 require. The City had its own witness in the previous cases and appears to be supportive of
20 the current case. The existing customers of The Lakes at Shuyler Ridge would also save a
21 significant amount of money if they could avoid Empire's extension fees, since the home
22 owner's association for the subdivision will be responsible for the cost of street lighting under
23 Empire's tariffs. From the information provided to Staff, there is nothing in the record that

1 indicates that the existing customer at The Lakes at Shuyler Ridge subdivision either support
2 or oppose the Application. Since Ozark is a member-owned electric cooperative, the interest
3 of Ozark's customers and Ozark should be one and the same. Empire has a responsibility to
4 act in the best interest of its shareholders and, therefore, the shareholders are represented in
5 this case. That leaves the final group that I listed, Empire's customers.

6 I do not believe the Applicants have put forth an argument that explains why this
7 Application is in the interest of Empire's customers. In the previous cases, the undue
8 preference resulted when the customers and the developer of The Lakes at Shuyler Ridge
9 were compared to the rest of Empire's customers. Said another way, Empire's other
10 customers would not have been able to avoid the fees associated with Empire's extension
11 policy. In this case, other than the fact that these extension policies have not been enforced
12 for the The Lakes at Shuyler Ridge, the concern about undue preference would go away if
13 Ozark were the supplier and would be enforcing its standard extension policy. However, this
14 doesn't explain why it is in the interest of Empire's other customers.

15 Q. Do you know of any argument that might support the idea that this Application is
16 in the public interest?

17 A. Yes. Empire has added a significant amount of new generation capacity since the
18 early 1990's. In addition, Empire's Regulatory Plan lays out Empire's plans to add two new
19 base generation units in the next 5 years. The effect of this new generation is that rates have
20 risen. In the early 1990's a residential customer with 1000 kWh usage would have an annual
21 bill of \$672.38. Today, the same customer would pay \$1000.56 and Empire is currently
22 requesting another rate increase. Given these price increases, one has to wonder if additional

1 the addition of load that would be added from The Lakes at Shuyler Ridge benefits all of
2 Empire's customers.

3 Q. Earlier, you mentioned that only one utility would receive an exclusive service
4 area if the Application is approved. Does that fact raise any concerns for you?

5 A. Yes. In Case No. Eo-2007-0029, Michael E. Palmer's Direct Testimony on page
6 6, lines 6-14 stated the following:

7 So, if that developer of the Lakes at Shuyler Ridge has no incentive to
8 take service from Empire because he can get a better deal from Ozark, then a
9 key portion of the territory Empire would obtain under the proposed territorial
10 agreement would be served by Ozark instead of Empire. If that happens, we
11 do not have a relatively even division of the territory on the south side of the
12 City. With that, Empire's interest in the territorial agreement rapidly
13 disappears because we would be giving up a large portion of potential territory
14 to Ozark for perhaps decades or more, for basically nothing in return. I cannot
15 in good conscience say that is a good thing for either Empire's customers or
16 shareholders.
17

18 This statement seems to be in sharp contrast to current Application which will make
19 The Lakes at Shuyler Ridge subdivision the exclusive service area of Ozark and Empire will
20 receive no exclusive service area in return.

21 Q. Should Empire better explain the public interest aspects of this Application in its
22 Surrebuttal testimony?

23 A. In my opinion, yes.

24 Q. Do you have any further testimony at this time?

25 A. No.

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of The
Empire District Electric Company and
Ozark Electric Cooperative for Approval
of a Written Territorial Agreement
Designating the Boundaries of an
Exclusive Service Area for Ozark within a
Tract of Land in Greene County, Missouri,
And Associated Requests for Approval of
a Transfer of Facilities and Change of
Supplier

Case No. EO-2008-0043

AFFIDAVIT OF DANIEL I. BECK

STATE OF MISSOURI)

ss

COUNTY OF COLE)

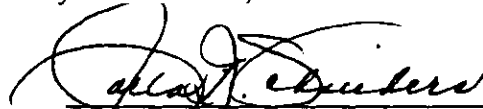
Daniel I. Beck, of lawful age, on his oath states: that he has participated in the preparation of the following Rebuttal Testimony in question and answer form, consisting of 15 pages of Rebuttal Testimony to be presented in the above case, that the answers in the following Rebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.



Daniel I. Beck

Subscribed and sworn to before me this

day of November, 2007.


Notary Public

My commission expires

7.2008

CARLA K. CIEDERS

a Public - Notary Seal
State of Missouri
County of Cole
M Commission Ex .06/07/2008

An Ordinance granting The Empire District Electric Company, a corporation, its successors and assigns, the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, with the necessary poles, wires and other apparatus, equipment and appliances therefor, and to string wires above ground or carry same thereunder; and the right to do all things necessary and proper for the purpose of generating or otherwise procuring electric energy, or any part thereof, and distributing same throughout the City of Republic, Missouri, and of supplying and selling electric energy for light, power, heat and any other purposes to the said City and the inhabitants thereof, and fixing the terms and conditions upon which such rights may be granted and exercised.

BE IT ORDAINED by the Board of Aldermen of the City of Republic, Missouri, as follows:

SECTION 1. That The Empire District Electric Company, hereinafter called the Company, its successors and assigns, are hereby authorized and empowered to use the streets, avenues, lanes, alleys and other public grounds and ways in the City of Republic, Missouri, as its limits now exist or may be altered, for the purposes of erecting and maintaining an electric distribution system, with the poles, wires (above ground or thereunder) and other apparatus, equipment and appliances necessary therefor, subject to reasonable supervision of the Board of Aldermen as to the place and manner of erecting the poles for said purposes; and for the purpose of conducting, supplying, distributing, and selling electric energy to the City and/or the inhabitants thereof for light, power, heat, and other purposes; and for the purpose of erecting and maintaining a plant or plants in said City for the generating of electric energy, with the right in said Company also to generate or procure said electric energy, or any part thereof, at other points and to carry same into said City and there make distribution and sale thereof, and the further right in said Company to transmit any of said electric energy from or through said City for sale outside the limits thereof.

SECTION 2. Said Company shall use every reasonable precaution to avoid damage or injury to person or property, and agrees to indemnify and save harmless the said City from damage, injury, suits, actions, loss or expense arising from any negligent construction, reconstruction, repair, maintenance or operation of its said electrical system.

SECTION 3. The Company agrees that it will furnish continuous and uninterrupted electric service from the beginning of such service to the end of the franchise period, except for interruptions caused by strikes, riots, Governmental interference or regulation, acts of Providence, accidents beyond the control of the Company, or necessary maintenance or replacements.

SECTION 4. All rates established and charges made by the Company for electric energy distributed and sold hereunder shall be subject to the valid and lawful orders of the Public Service Commission of the State of Missouri, or other competent authority having jurisdiction, and the distribution and sale of electric energy to consumers shall be governed by such operating rules, regulations and practices of the Company as may now or hereafter be prescribed or approved by competent authority.


SECTION 5. All the terms and provisions of this Ordinance shall be binding upon the parties hereto, and upon their respective successors and assigns.

SECTION 6. This Ordinance is a renewal of an existing franchise granted by the City to the Company.

SECTION 7. The franchise and all rights granted herein shall continue and remain in full force and effect for a period of twenty (20) years from and after the effective date of this Ordinance, as set forth in Section 8 hereof, provided written acceptance is made by the Company, signed by its proper officers and filed with the City Clerk within a period of sixty (60) days from and after said effective date.

SECTION 8. The effective date of this Ordinance and the franchise and other rights granted herein shall be February 14, 1994.

PASSED AND APPROVED this 14th day of February, 1994.



Mayor

(SEAL)



City Clerk

FROM THE RECORDS OF THE CITY OF REPUBLIC, MISSOURI.

The Board of Aldermen of the City of Republic, Missouri, met in regular session at City Hall, at 7:00 o'clock p.m. on Monday, January 10, 1994, with the following present:

Glen Miller, Tom Cunningham, Jim Gray,
Jim Zane, Doug Boatright, Leon Medlin,
Alene Miller,
with the following absent:
Bob Franks,

When and where the following, among other proceedings of the Board were had and made a matter of record, to-wit:

A bill was submitted for consideration, entitled: "An Ordinance granting The Empire District Electric Company, a corporation, its successors and assigns, the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, with the necessary poles, wires and other apparatus, equipment and appliances therefor, and to string wires above ground or carry same thereunder; and the right to do all things necessary and proper for the purpose of generating or otherwise procuring electric energy, or any part thereof, and distributing same throughout the City of Republic, Missouri, and of supplying and selling electric energy for light, power, heat and any other purposes to the said City and the inhabitants thereof, and fixing the terms and conditions upon which such rights may be granted and exercised."

After considerable discussion of the matter by the Board with Mr. Jack Mayfield and Mrs. Ellen Letterman of The Empire District Electric Company who was present at the meeting on behalf of the Empire company, a motion was made by Leon Medlin, seconded by Jim Zane, that the bill be placed on its first reading; the same was publicly read in full and passed on its first reading by the following vote:

Doug Boatright, Aye; Jim Zane, Aye; Glen Miller, Aye;
Alene Miller, Aye; Tom Cunningham, Aye; Jim Gray, Aye;
Leon Medlin, Aye; _____, Aye; _____, Aye;

Nay, None.

The bill was then held for further reading at a subsequent meeting of the Board.

I, Karen Cline, Clerk of the City of Republic, Missouri, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the Board of Aldermen held January 10, 1994, being that part regarding the passage on first reading of Bill No. 93-1519, as same appears in the records of said City.

In testimony hereof, I have hereunto set my hand as said City Clerk, and affixed the seal of said City at my office in Republic, Missouri this 10th day of January, 1994.

Karen Cline
City Clerk

(SEAL)

FROM THE RECORDS OF THE CITY OF REPUBLIC, MISSOURI.

The Board of Aldermen of the City of the Republic, Missouri, met in regular session at City Hall, at 7:00 o'clock p.m. on Monday, February 14, 1994.

with the following present:

Alene Miller, Glen Miller, Jim Gray,
Leon Medlin, Jim Zane, Tom Cunningham,

with the following absent:

Bob Franks,

When and where the following, among other proceedings of the Board were had and made a matter of record, to-wit:

Bill Number 93-1519, was submitted for consideration, entitled: "An Ordinance granting The Empire District Electric Company, a corporation, its successors and assigns, the right to use the streets, alleys and public grounds for the purpose of erecting and maintaining an electric distribution system, with the necessary poles, wires and other apparatus, equipment and appliances therefor, and to string wires above ground or carry same thereunder; and the right to do all things necessary and proper for the purpose of generating or otherwise procuring electric energy, or any part thereof, and distributing same throughout the City of Republic, Missouri, and of supplying and selling electric energy for light, power, heat and any other purposes to the said City and the inhabitants thereof, and fixing the terms and conditions upon which such rights may be granted and exercised."

Karen Cline reported that this bill had been on file with the City Clerk for public inspection since it was passed by the Board on its first reading on January 10, 1994.

After considerable discussion of the matter by the Council with Mrs. Ellen Letterman of The Empire District Electric Company who was present at the meeting on behalf of the Empire company, it was moved by Tom Cunningham, seconded by Jim Zane, that any rules contrary thereto be suspended and the bill be placed on its second and final reading; was read in full and passed on its second reading by the following vote:

Glen Miller, Aye; Alene Miller, Aye; Jim Gray, Aye;
Leon Medlin, Aye; Tom Cunningham, Aye; Jim Zane, Aye;
Aye; Aye; Aye; Aye; Aye; Aye;
Nay, None.

It was moved by Leon Medlin, seconded by Glen Miller, that the bill be given the title of Ordinance No. 93-1519 and be adopted and the same was adopted by the following vote:

Alene Miller, Aye; Jim Zane, Aye; Tom Cunningham, Aye;
Leon Medlin, Aye; Glen Miller, Aye; Jim Gray, Aye;
Aye; Aye; Aye; Aye; Aye; Aye;
Nay None.

Said instrument was then signed by the Mayor and attested by the Clerk, and being so passed and adopted, was made a part of the records of the Board of Aldermen.

* * * * *

I, Karen Cline, Clerk of the City of Republic, Missouri, do hereby certify that the above and foregoing is a true and correct copy of a part of the minutes of the meeting of the Board of Aldermen held February 14, 1994, being that part regarding the passage of Ordinance No. 93-1519, as same appears in the records of said City.

I further certify that the Bill adopted as Ordinance No. 93-1519 remained on file in my office for public inspection at least thirty (30) days before its final passage.

In testimony hereof, I have hereunto set my hand as said City Clerk, and affixed the seal of said City at my office in Republic, Missouri this 14th day of February, 1994.

Karen Cline
City Clerk

(SEAL)

CERTIFICATION

I, Karen Cline, Clerk of the City of Republic, Missouri do hereby certify that attached hereto is a true and correct copy of Ordinance No. 93-1519 adopted at meeting of the Board of Aldermen held on February 14, 1994.

I further certify that Bill No. 93-1519 adopted as Ordinance No. 93-1519 remained on file in my office for public inspection at least thirty (30) days before its final passage.

I further certify that within thirty (30) days after the passage of Ordinance No. 93-1519, no petition was filed in my office calling for submission to the voters of the question of approval or disapproval of the franchise granted in Ordinance No. 93-1519.

In Testimony Hereof, I have hereunto set my hand as said City Clerk and affixed the seal of said City at my office in Republic, Missouri this 17th day of March, 1994.

(S E A L)

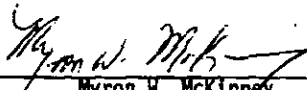
Karen Cline
City Clerk

March 23, 19 94

To the Mayor and Board of Aldermen
of the City of Republic, Missouri


THE EMPIRE DISTRICT ELECTRIC COMPANY hereby accepts the terms and provisions
of Ordinance No. 93-1519, passed by your Honorable Body on February 14,
19 94.

By


Myron W. McKinney
Vice-President

(SEAL)

ATTEST:


Gary C. Hunter
Secretary



2005-1002

July 15, 2005

MEMBERS

GERALD H. LOWTHER, RETIRED*
THEODORE L. JOHNSON, III
F. WILLIAM JOYNER
CRAIG F. LOWTHER
MICHAEL K. CULLY
JOHN W. HOUSLEY
LISA GHAN BLUMENSTOCK
GREGORY D. GROVER
DAVID A. FIELDER
GLENN P. GREEN
THOMAS M. BENSON
RANDY J. REICHARD
ANGELA K. DRAKE*
LEE J. VIOREL
JUSTIN A. HARRIS

ASSOCIATES

NICOLE D. LINDSEY*
BRITTANY BUTTS
MICHAEL L. MILLER
C. MATTHEW TOWNS

OFFICE ADMINISTRATOR

SAMIE K. PAYNE

* PRINCIPLE

* ALSO ADMITTED IN KANSAS

* ALSO ADMITTED IN FLORIDA

DIRECT EMAIL

tjohnson@lowtherjohnson.com

901 ST. LOUIS STREET
20TH FLOOR
SPRINGFIELD, MISSOURI
65806-2593
TELEPHONE :
(417) 866-7777 EXT 241
FACSIMILE :
(417) 866-1752

WEB

www.lowtherjohnson.com

Christopher Coulter
213 N. Main
Republic, MO 65738-1472

RE: Shuyler Ridge Development
Matter ID 1500-002

Dear Christopher:

I enclose here an original executed Development Agreement. If you have any questions, please do not hesitate to contact me.

Very truly yours,

LOWTHER JOHNSON
Attorneys at Law, LLC


Theodore L. Johnson, III

TLJ:hib
Enclosure

DEVELOPMENT AGREEMENT

2005-1002

THIS AGREEMENT made and entered into this 11th day of June, 2005, by and between MISSOURI PARTNERS, LLC, hereinafter referred to as "Developer/Owner" and GREENE COUNTY, MISSOURI, hereinafter referred to as "County", and CITY OF REPUBLIC, hereinafter referred to as "City":

WITNESSETH:

WHEREAS, Developer/Owner is currently the owner of certain real property in Greene County, Missouri, which lies north of Farm Road 194 and is currently in the process of engineering plans for a subdivision of the property to be known as **The Lakes at Shuyler Ridge or Terrell Creek or Terrell Creek Subdivision**, more fully described in the attached Exhibit "1", hereinafter referred to as either "Subdivision, Property or Development"; and

WHEREAS, Developer/Owner acknowledges that it is necessary to access his private property from Greene County Roads, known as Farm Roads 194 and 89 and agrees that the development of the Subdivision will result in increased traffic requiring the rerouting of Farm Road 89 and merging into existing Farm Road 89 and the possible future widening of Farm Road 89 as well as Farm Road 194; and

WHEREAS, Developer/Owner, County and City have agreed to the terms under which Farm Road 194, Farm Road 89 and the residential and commercial collector, arterial and local streets within the Subdivision, including sidewalks, street lighting and signage will be installed and wish to memorialize these agreements in this Development Agreement.

WHEREAS, Developer/Owner desires to connect a sewer line extension to the central sewage system of the City, to dispose of its sewage in said sewer system; and,

WHEREAS, Developer/Owner desires to connect to the water distribution system of the City, for ample supplies of metered potable water; and,

WHEREAS, pursuant to State Statute, the City is authorized to provide city services beyond the City Limits of Republic; and,

WHEREAS, the safe and adequate disposal of waste water and sewage, within close proximity of the City, is a continuing concern to the City in protecting the public health, safety and welfare of the residents of the City of Republic and the surrounding community; and,

WHEREAS, the safe and adequate supply of clean potable water, within close proximity of the City, is a continuing concern to the City in protecting the public health, safety and welfare of the residents of the City of Republic and the surrounding community; and,

WHEREAS, it is to the mutual benefit of the parties hereto to enter into the following agreement; and,

WHEREAS, Developer/Owner acknowledges that, during the term of this Agreement, the property will be subject to all ordinances, resolutions, and other regulations of the City as well as those outlined in this agreement, as they may be amended from time to time; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to provide the County and City with security for the completion of the undertakings specified for each phase of the Subdivision as provided for herein, the parties do hereby mutually covenant and agree as follows:

SECTION A. STREETS

1. Phase I:

- (a) Except as herein provided, the Developer/Owner shall, at its sole cost and expense; design, install and construct the entire dual lane round-a-bout, the future Farm Road 89 to the west property line of the Subdivision, and all other necessary internal streets and public improvements depicted on Exhibit "1" in accordance with Greene County Road Design and Construction Standards and requirements. Wherever the terms road design and construction standards are used in this Agreement, such terms shall mean the duly adopted Greene County Road Design and Construction Standards as contained in the Subdivision Regulations in effect at the time the work is to be commenced.

CM
C
JLB
HKB
RB

- (b) Roads required under this Development Agreement shall be constructed by in accordance with the Design Standards and Specifications established and set forth on **Exhibit "2"**.
- (c) Developer shall prepare engineering designs and drawings for the road design for the connection of Farm Road 89 from the Subdivision's west property line to and merging into the existing Farm Road 89, at Developer/Owner's sole cost and expense. Upon completion of engineering and road design by Developer/Owner, County and City shall use due diligence in reviewing Developer/Owner's construction plans and returning any comments to Developer/Owner after such plans are submitted. Once engineering plans are approved by County and City for the Farm Road from the west boundary of the Subdivision to existing Farm Road 89, County shall use due diligence in securing the necessary right of way by purchase or by the use of condemnation as a last resort to acquiring the necessary road right of way, provided such property shall not have been developed. Developer/Owner shall be solely responsible for the costs of the design, construction and improvement of Farm Road 89 from the west boundary of the Subdivision to existing and merging into Farm Road 89 under Phase II.
- (d) Developer/Owner or its assignee shall be entitled to receive, following approval of permits and payment of all fees, building permits up to 200 lots provided Developer/Owner shall have posted the appropriate security.

gm
2
JL
HB
RB

2. Phase II:

- (a) Developer/Owner shall be responsible for 100% of the costs of engineering and design work and 60% responsible for the construction and improvement costs of Farm Road 89 from the West boundary of the Subdivision into and merging with existing Farm Road 89.
- (b) County agrees to obtain the necessary right of way for the construction of Farm Road 89 from the West boundary of the Subdivision to and merging into existing Farm Road 89. Such right of way acquisition costs, along with other properly allocable

expenses as defined in Exhibit "3", shall be paid by the County, but the Developer/Owner shall reimburse County for 60% of all such right of way costs. Developer/Owner shall be solely responsible for the construction and improvement costs of Farm Road 89 from the western boundary of the subdivision until it merges into the existing Farm Road 89. The road shall be built in accordance with County Design Standards and Regulations. Until such time as the road has been accepted, Developer/Owner shall own and maintain this new section of Farm Road 89. upon the County's acceptance of the new section of Farm Road 89, County agrees to be responsible for and shall reimburse Developer/Owner for 40% of all such road costs of construction. The maximum amount of the County's share of 40% of the properly allocable costs of such road shall not exceed \$ 160,000.

gfc
#RB
RB
4m

- (c) Developer/Owner shall also, at its sole cost and expense, install and construct an eastern, north-south, arterial, as defined in "Exhibit 1(A)", from Farm Road 194 along the eastern boundary of the Development to the Phillips property. Such road shall be known in the future as Bailey Avenue. The construction of such north south arterial shall require the Developer/Owner to build at its sole cost and expense two lanes, donating appropriate right-of-way to include curb, gutter and sidewalks and three lanes of travel, in accordance with the County's design drawings, design standards and regulations.
- (d) County agrees to issue a maximum aggregate total of 400 residential building permits in the manner permits are issued pursuant to SECTION A. paragraph 1(d).

3. Phase III:

- (a) Developer/Owner shall design and provide engineering for the improvement of existing Farm Road 89 from its merger into the new section of Farm Road 89 as described in "Streets Phase I (c)" above northward to Miller Road. The costs for such design and engineering shall be paid 50% by Developer/Owner, 25% by City and 25% by County. City and County agree the all costs for right of way acquisition and other properly allocable expenses for the

construction of such road shall be paid 50% by City and 50% by County. Not sooner than January 1, 2008 and thereafter at such time as the County shall determine, County shall proceed with right-of-way acquisition, construction and City agrees to reimburse County 50% of the costs of right-of-way acquisition, construction and properly allocable expenses to the project.

- (b) Developer/Owner at its sole expense shall improve in accordance with Greene County Design Standards and Regulations in effect at the time such improvements are accepted by County, the intersection at ZZ Highway and Farm Road 194 or such previously approved alternate access route to ZZ.

4. Developer/Owner agrees to construct all streets in all phases of the Subdivision to the Greene County Road Design and Construction Standards regardless of whether the property is annexed into the City of Republic. Developer/Owner agrees to construct all streets in all phases as defined in **Exhibit 2**.

5. Developer/Owner shall not be entitled to any commercial permits in any phase above described until 400 residential building permits have been issued and completed and all other requirements of each phase have been satisfied.

SECTION B. WATER AND SEWER

1. Developer/Owner agrees to extend, distribute, meter, and provide fire protection and potable water by means of the City water distribution system and the provision of wastewater collection, conveyance and treatment facilities serving the property.

2. Developer/Owner agrees that connection to the city water distribution system and any and all improvements required to extend the existing system to serve the Developer/Owner's property, and all sewers and the connection to the City sewer, collectively referred to herein as "Improvements", are Developer/Owner's sole responsibility to design and construct.

3. Developer/Owner agrees to convey all public water facilities, easements and appurtenances and all public sewer facilities, easements and appurtenances covered

by this Agreement to City free and clear of all liens and encumbrances or other obligations. Said conveyance shall be by appropriate document, and shall be sufficient, in the opinion of the City, to convey marketable title of record, as set forth in Title Standard 4 of the Missouri Bar. Developer/Owner shall provide a binder of title insurance showing clear title of record.

4. City shall be solely responsible for the maintenance of public water facilities and all appurtenances and any public sewer facilities and all appurtenances, after the conveyance of same by Developer/Owner.

5. Developer/Owner agrees to design, engineer, and construct said Improvements in accordance with the Municipal Codes and Construction Specifications for Public Improvements, on file with the City.

6. Developer/Owner agrees to provide, allow and permit, the City, or designee, to inspect observe, and oversee the construction of said water distribution system and appurtenances and all sewer extensions and appurtenances, in order to ascertain and determine that said public improvement standards are in compliance and pay associated inspection and testing fees.

7. Any new or existing structures, facilities or users connecting to the water or sewer line or system shall pay to the City all appropriate fees for sewer and water service as outlined and provided for in the City Municipal Code, along with any amendments, changes or modifications thereto.

8. Developer/Owner agrees that City has total authority over extension or expansion of the infrastructure to other properties or developments surrounding the Subdivision.

9. Developer/Owner shall at Developer/Owner's expense, make necessary application for and pay any fees associated with access and hookup for water and sewer fees and expenses to the City.

SECTION C. ANNEXATION

1. Developer/Owner has agreed to execute an Irrevocable Consent to Annex Agreement, a copy of which is attached hereto and marked **Exhibit 4**, and which

irrevocably requests voluntary annexation into the City. The City may act upon the voluntary annexation request for the Subdivision at such time as it may elect. The obligations of Developer/Owner under this Agreement shall continue to exist regardless of whether annexation has occurred.

2. Developer/Owner agrees to provide, at owner's expense, legal documents, surveys, engineering work, newspaper publication, maps, reports, and fees customary and usual for annexation into the City.

SECTION D. STREET SIGNS

1. Developer/Owner shall pay a sign fee as required by County. County shall install all street signs in the Subdivision.

2. Developer/Owner or a Property Owner's Association shall pay all maintenance costs for signs in the subdivision until such time the Subdivision is annexed into the City.

SECTION E. STREET LIGHTING

1. Developer/Owner shall install all street lighting as required by City. Developer/Owner shall own and assume all power and maintenance costs associated with street lighting in the Subdivision until the Subdivision is annexed into the City.

2. Developer/Owner and/or subsequent Property Owner's Association shall pay all maintenance for street lights in the subdivision until such time as the Subdivision is annexed.

3. Developer/Owner and/or subsequent Property Owner's Association, upon completion of the installation of street lighting and upon annexation into the City, shall cause to be executed such documents so as to transfer ownership of the aforementioned street lighting to City of Republic, Missouri, free and clear of all liens, claims, encumbrances, and restrictions unless otherwise approved by the City in writing.

SECTION F. STORM SIRENS

1. Developer/Owner at its sole cost and expense shall pay the City for one storm siren in to be located in the Subdivision in accordance with the City's design standards for storm sirens at such time as the City shall request in writing of Developer/Owner.

SECTION G. CONSTRUCTION OF PUBLIC INFRASTRUCTURE

1. Developer/Owner agrees, pursuant to Greene County Subdivision Regulation and Improvement Standards of the County to post a Bond, Letter of Credit or other Security Agreement for the completion of all infrastructure improvements, including the City's water and sewer lines, in a form consistent with the attached Exhibit 4. The conditions of the Bond shall require the work to be completed before the expiration of all permits (six months) unless such permits are renewed or extended and that the County or City, if the project is annexed, shall be entitled to complete the work using the original contract or contractor.

2. The Developer/Owner will cause all work on the improvements contemplated herein to be completed in a good and workmanlike manner and with due dispatch. All materials used for construction of the improvements shall be new and of first quality. All work shall be subject to inspection and approval by the City's Public Works Department, Greene County Highway Department and Resource Management Department representatives at all times. The Developer/Owner shall notify the County and City when it believes that any or all of the improvements have been fully completed as contemplated herein and it shall request final inspection, approval and, where appropriate, acceptance of the improvements by the County and City.

3. Developer/Owner shall maintain and keep in repair all infrastructure for a period of one (1) year from the date the constructed improvements are approved by the County and City. To guarantee this maintenance, an acceptable Maintenance Bond, Letter of Credit or other acceptable security shall be provided in the amount of ten percent (10%) of the contract price of the improvements against defects in workmanship and materials for the above-mentioned one (1) year period. The Bond, Letter of Credit, or Security shall be filed with the City and be from a surety company

licensed to do business in the State of Missouri and in a form to be approved by the City Attorney.

4. City agrees to require and carry out cost reimbursement for the new section of Farm Road 89 from the west boundary of the property to and merging into existing Farm Road 89 in accordance with the following procedure:

(a) In the event any property contiguous to the new section of Farm Road 89 described in this paragraph 4 seeks to develop or requests City to annex or to provide sewer services, City shall cause such party to reimburse the City and County for such road for the portion required to be paid by Developer as set forth in SECTION A, paragraph 2 (a) and (b). Upon such request and after County's written acceptance of such road, the costs incurred by the Developer/Owner for such road shall be reimbursed to City and County for all properly allocable expenses as defined in Exhibit 5 associated with the design, right of way and construction costs of such road, less the amount (60%) paid by Developer/Owner under this Agreement.

(b) To the extent permitted by law, in addition to all other fees and charges otherwise provided for by City or County, the City shall require a roadway construction fee for all owners of property contiguous and adjoining the roadway constructed as a part of the project (the "roadway construction fee") for the purpose of reimbursing to the City and County for the costs of the project not paid for by the Developer/Owner herein.

(c) At the time any property adjacent to the above described road shall apply for annexation or sewer services from City, each such property shall be subject to a roadway construction fee as described above, provided however, the roadway construction fee to be assessed against each property shall be increased monthly until approval of annexation or zoning, based upon the prime interest rate as reflected in the Wall Street Journal on the first day of each month, together with an additional 2% calculated monthly for each month after the project is completed. This roadway construction fee shall be collected by the City from the property owner prior to the final approval for annexation by City or receipt of sewer services.

(d) In the event Developer/Owner shall acquire or have any rights to development for property contiguous to the new section of Farm Road 89 from the western boundary of the Subdivision to and merging into Farm Road 89, Developer/Owner shall be responsible for the payment of the roadway construction fees as described in (a) of this Section G paragraph 4.

(e) In the event City shall annex or provide sewers to any property contiguous to the new section of Farm Road 89 described in this paragraph 4, and elects or

determines not to impose or require the cost reimbursements from contiguous property owners, City shall reimburse County for such property owners portion.

(f) City shall impose the roadway construction fee one time for any property required to pay such fee.

(g) City shall be liable to County for the payment of each fee required under this Agreement and the City and County agree to cooperate with one another in the collection of all fees required to be paid under this provision.

(h) The obligation of City to collect and disburse to County the road construction fees described herein shall continue for a period of fifteen (15) years from the date the new Farm Road 89 has been accepted by County.

SECTION H. BUILDING PERMITS AND INSPECTIONS

1. Developer/Owner shall obtain all necessary building permits for private construction and development from the County until such time the property is annexed into the City. Developer/Owner shall then obtain all necessary building permits from the City. Any outstanding building permits issued by the County, shall remain under the County's authority until a Certificate of Occupancy has been issued for the particular permit.

SECTION I. GENERAL OBLIGATIONS

1. This Agreement shall be filed in the Office of the Recorder of Deeds, Greene County, Missouri.

2. As used in this Agreement, the term "Developer" shall include any of the heirs, transferees, successors, or assigns of Developer/Owner, and all such parties shall have the right to enforce this Agreement, and shall be subject to the terms of this Agreement, as if they were the original parties thereto.

3. The parties agree that nothing contained within this Agreement shall waive or relieve the Developer/Owner of any obligation to comply with all standards and requirements set forth in the County's Subdivision, Zoning Regulations and Building Regulations, including but not limited to Developer/Owner's responsibility to construct all public improvements necessary to serve the Subdivision and to obtain the necessary permits for the construction and development of the Subdivision and houses therein.

4. At the time the property is annexed into the City, Developer/Owner shall then comply with all standards and requirements set forth in the City's Subdivision, Zoning Regulations and Building Regulations, including but not limited to Developer/Owner's responsibility to construct all public improvements necessary to serve the Subdivision and to obtain the necessary permits for the construction and development of the Subdivision and houses therein.

5. Developer/Owner agrees that if the design standards and regulations of one jurisdiction are stricter than the other jurisdiction, the improvements shall be constructed to the standards that are stricter, whichever jurisdiction that may be.

6. Developer/Owner shall include in every Contract for work on the construction of the residential streets within the Subdivision and the improvement of Farm Road 194 and Farm Road 89 provisions requiring the contractor to prosecute the work diligently and continuously until it is properly completed. If any such work is abandoned, or performed in violation of this Agreement, then the Developer/Owner shall promptly and aggressively act to cause the work to be completed properly and within the times for completion established herein.

7. No improvement shall be accepted by the County except by an Order duly adopted by the Greene County Commission specifying with particularity the improvement or improvements being accepted.

8. Upon completion of the work on any of the improvements contemplated herein and their acceptance by the County, the Developer/Owner within thirty (30) days shall dedicate to County all necessary right of way and execute and cause to be executed such documents as County shall request to transfer ownership of the aforesaid right of way for roadway improvements to Greene County, Missouri, free and clear of all liens, claims, encumbrances, and restrictions unless otherwise approved by the County in writing.

9. Nothing contained in this Agreement shall constitute or be interpreted as a repeal of the County or City's ordinances or resolutions, or as a waiver of the County or City's legislative, governmental, or police powers to promote and protect the health, safety, and welfare of the County or City and its inhabitants; nor shall this agreement prohibit the enactment or increase by the County or City of any tax or fee.

10. Nonseverability. In the event that any one or more of the phrases, sentences, clauses, paragraphs or sections contained in this Agreement, shall be declared invalid by the final and unappealed order, decree or judgment of any court, this entire Agreement shall be invalidated, it being expressly stipulated by the City that it would not have entered into this agreement to provide sewer and water services unless each and every clause is in fact valid and enforceable, and unless the provisions of this Agreement are legally effective to cause the property described in **Exhibit "I"** to be annexed into the City in accordance with this agreement's terms.

11. The Developer/Owner acknowledges and agrees (1) that the County and City are not, and shall not be, in any way liable for damages or injuries that may be sustained as a result of the County's review and approval of any plans or plats of the subdivision and the improvements, including but not limited to, any improvements to Farm Road 194, Farm Road 89, storm water detention, surface or storm water drainage discharged from the Subdivision, or as a result of the issuance of any approvals, permits, certificates or acceptances for the development or use of any portion of the Subdivision or the improvements; and (2) that the County and City's review and approval of any such plans and the issuance of any such approvals, permits, certificates or acceptances does not, and shall not, in any way be deemed to insure the Developer/Owner, or any of its successors, assigns, tenants, licensees or any third party, against damage or injury of any kind at any time. Developer/Owner further agrees to, and does hereby, hold harmless and indemnify the County, and all if its elected and appointed officials, officers, employees, agents, engineers and attorneys, from any and all claims that may be asserted at any time against any such party in connection with (1) the County and City's review and approval of any plans for the Subdivision or the improvements; (2) the issuance of any approval, permit or certificate for the Subdivision or the improvements; (3) the development, construction, or use of any portion of the Subdivision or its improvements, by the Developer/Owner or any of its agent, or employees; (4) the performance by the Developer/Owner of its obligations under this Agreement including, but not limited to, any acts of negligence on the part of the Developer/Owner, its agents, servants, employees and contractors in improving, maintaining or repairing any improvement in Developer/Owner's Subdivision.

12. Developer/Owner agrees to indemnify and hold harmless the City and the City's officers, employees, agents, and contractors, from and against all liability, claims, causes of actions, and demands, including attorney's fees and court costs,

which arise out of or are in any manner connected with this Agreement or the operation hereunder, or with all other action determined necessary or desirable by the City in order to effectuate all services to the property, or which are in any manner connected with the City's enforcement of this Agreement. Developer/Owner further agrees to investigate, handle, respond to, and to provide defense for and defend against or at the City's option to pay the attorney's fees for defense counsel of the City's choice for any such liability, claims, or demands.

13. Time is of the essence in the performance of all terms and provisions of this Agreement. The parties hereto may, in law or in equity, by suit, action, mandamus or other proceeding, including without limitation specific performance, enforce or compel the performance of this Agreement; provided, however, that the Developer agrees it will not seek, and does not have a right to seek, to recover a judgment for monetary damages against the County or any elected or appointed officials, officers, employees, agents, representatives, engineers, or attorney's thereof, on account of the negotiation, execution or breach of any of the terms and conditions of this Agreement. In addition to any other remedy provided by law for the enforcement of the terms of this Agreement, the County shall be entitled to withhold the issuance of building permits or certificates of occupancy for any and all buildings and structures within the Subdivision at any time where the Developer has failed or refused to meet any of its obligations under this Agreement.

14. This Agreement contains the entire understanding between the parties and supercedes any prior understandings and agreements between them respecting the subject matter of this Agreement. All amendments to this Agreement shall be in writing and shall be approved by the Developer/Owner, City and County.

15. This agreement embodies the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement supersedes all previous communications, representations, or agreements, either verbal or written, between the parties. This Agreement can only be modified in writing, signed by both parties, and approved by the City with passage of an ordinance approving the modification, addendum or amendment.

16. This Agreement shall inure to the benefit and be binding upon and enforceable by the Developer/Owner, City and the County and their respective legal representatives, successors and assigns and shall run with the land. This document

evidencing such obligation shall be recorded in the Office of the Recorder of Deeds, Greene County, Missouri.

17. This Agreement shall be deemed entered into in Greene County, Missouri. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. The parties further agree that this Agreement and any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by said party.

IN WITNESS WHEREOF the parties have caused this instrument to be duly executed the date first written above.

DEVELOPER/OWNER

Missouri Partners, Inc.

Steve Redford
By: Steve Redford - Managing Member

CITY OF REPUBLIC

Adolph J. Goff
City Administrator

GREENE COUNTY COMMISSION

David L. Coonrod
Presiding Commissioner
David L. Coonrod

Harold Bengsch
Commissioner 1st District
Harold Bengsch

Beverly Anne West
Attest: City Clerk

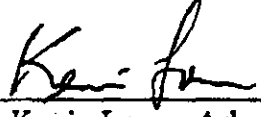
Roseann Bentley
Commissioner 2nd District
Roseann Bentley

Approved as to Form:

GREENE COUNTY, MISSOURI
GREENE COUNTY HIGHWAY

DEPARTMENT


Greene County Counselor
Ted Johnson


Kevin Lowe, Administrator

Approved as to Form:


City of Republic Counselor

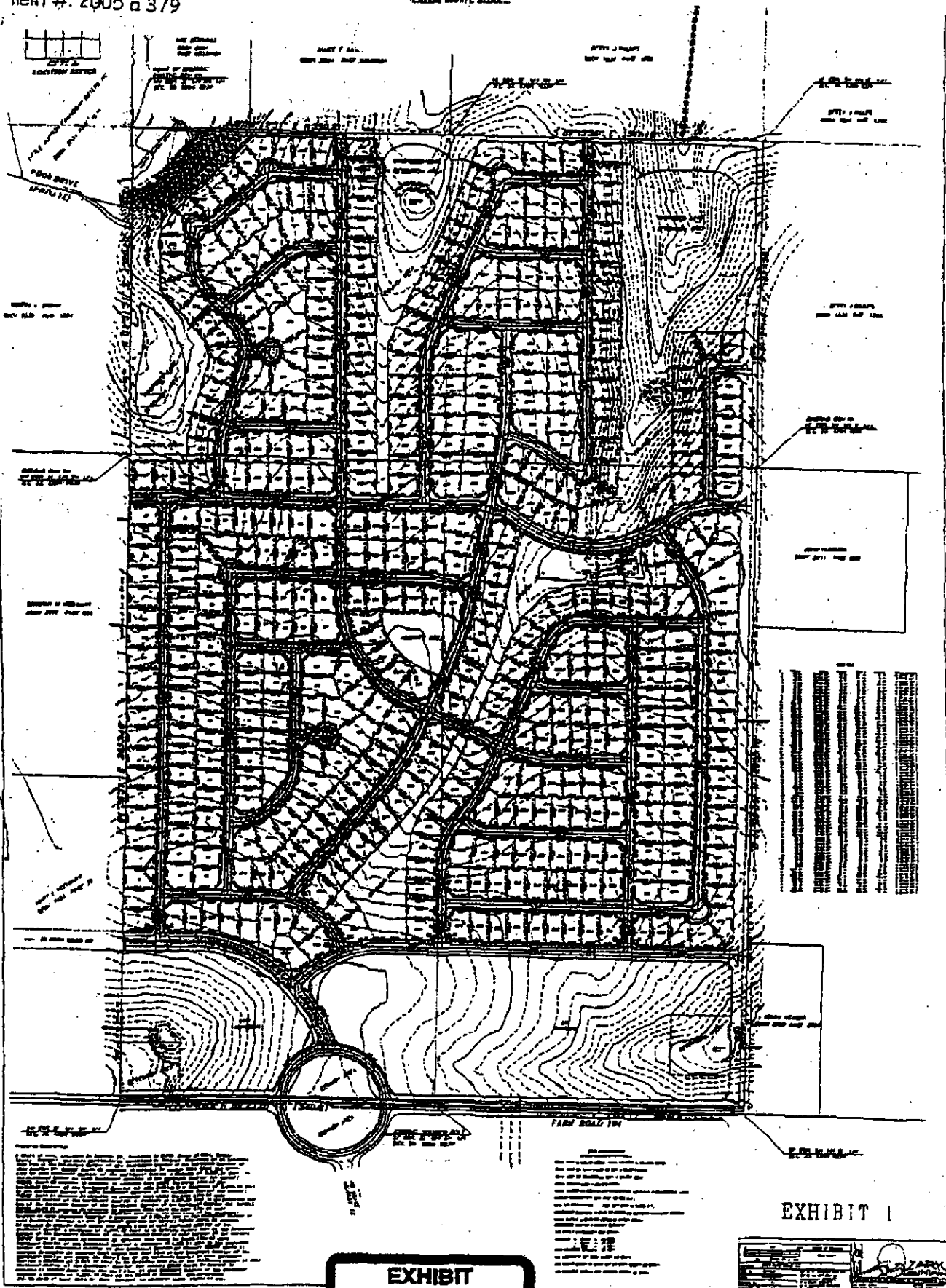


EXHIBIT
1

NOTICE IS HEREBY GIVEN THAT THE GREENE COUNTY PLANNING BOARD will hold a public hearing on TUESDAY, December 21, 2004, at 7:00 p.m. in Room 212, at 940 Boonville, Springfield, Missouri. If this hearing should last until 11:00 p.m. the Planning Board may recess the hearing until another night to allow sufficient time for review of all requests. Information may be examined at the Planning Section, at 940 Boonville, Room 306, 8:00 a.m. - 5:00 p.m. Monday thru Friday.

CASE NO. PLANNING BOARD # 1560

PETITION: REQUEST TO REZONE APPROXIMATELY 245.15 ACRES FROM AN A-1, AGRICULTURE DISTRICT TO A PLOT ASSIGNMENT DISTRICT

LEGAL: A TRACT OF LAND, SITUATED IN SECTION 28, TOWNSHIP 28 NORTH, RANGE 23 WEST, GREENE COUNTY, MISSOURI, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT AN EXISTING IRON PIN AT THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 28; THENCE SOUTH 89 DEGREES 12 MINUTES 31 SECONDS EAST ALONG THE NORTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER A DISTANCE OF 1,339.21 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER FOR CORNER; THENCE SOUTH 89 DEGREES 13 MINUTES 36 SECONDS EAST ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28 A DISTANCE OF 1,341.46 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER FOR CORNER; THENCE SOUTH 01 DEGREES 27 MINUTES 46 SECONDS WEST ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER A DISTANCE OF 1,327.25 FEET TO AN EXISTING IRON PIN AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER FOR CORNER; THENCE SOUTH 01 DEGREES 29 MINUTES 59 SECONDS WEST ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND ALONG THE EAST LINE OF THE SOUTHWEST QUARTER OF SAID SOUTHEAST QUARTER A DISTANCE OF 2,655.78 FEET TO THE SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER FOR CORNER; THENCE NORTH 89 DEGREES 01 MINUTES 25 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER A DISTANCE OF 1,344.17 FEET TO AN EXISTING SQUARE BOLT AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 28 FOR CORNER; THENCE NORTH 89 DEGREES 23 MINUTES 28 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER A DISTANCE OF 1,340.81 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR CORNER; THENCE NORTH 01 DEGREES 33 MINUTES 31 SECONDS EAST ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SOUTHWEST QUARTER A DISTANCE OF 2,653.49 FEET

TO AN EXISTING IRON PIN AT THE NORTHWEST CORNER OF SAID
NORTHEAST QUARTER OF THE SOUTHWEST QUARTER FOR CORNER;
THENCE NORTH 01 DEGREES 31 MINUTES 51 SECONDS EAST ALONG THE
WEST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST
QUARTER A DISTANCE OF 1,329.10 FEET TO THE POINT OF BEGINNING,
AND CONTAINING 245.15 ACRES OF LAND, MORE OR LESS, SUBJECT TO
EASEMENTS AND/OR RIGHTS OF WAY.

LOCATION: APPROXIMATELY 1,350 FEET EAST OF FARM ROAD 89 LYING ON THE
NORTH SIDE OF FARM ROAD 194


Kent D. Morris, AICP, Executive Secretary
Greene County Planning Board

APPLICANT: CHARLES BLOUNT

1 (A)

EXHIBIT

EXHIBIT 1

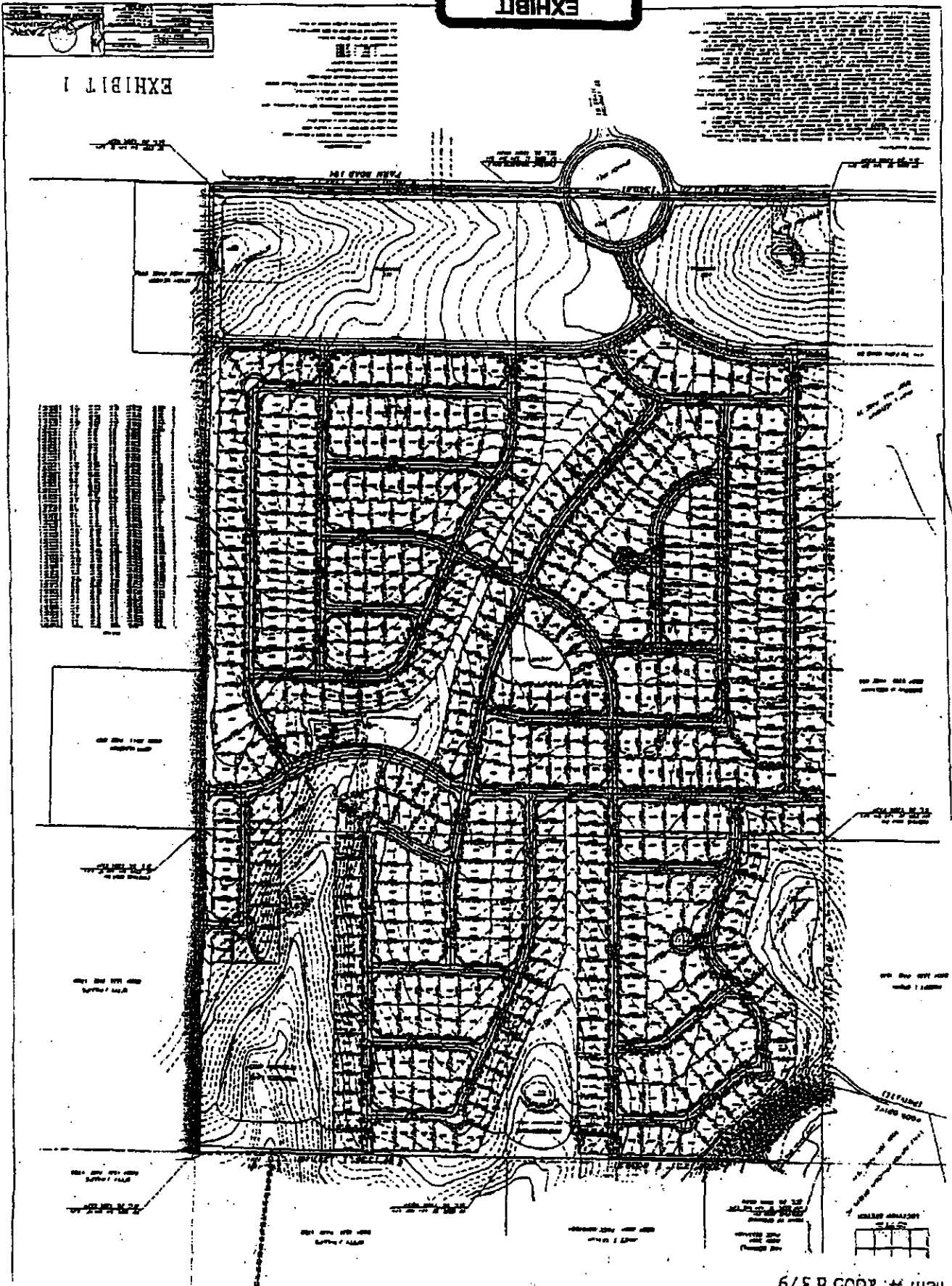


EXHIBIT 2

Road Definitions

Local Streets – Local streets are internal streets that move local traffic inside the subdivision. They shall be constructed in a fifty foot right of way with curb and gutter. All local streets shall be a minimum width of 28' back of curb to back of curb with a four foot sidewalk and access restrictions only from property lines and intersections.

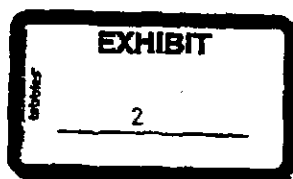
Residential Collector – Residential Collectors are designed to collect traffic from local streets and move traffic in and out of the subdivision. One residential collector is required approximately through the middle of the subdivision. This collector shall be constructed in a sixty foot right of way with curb and gutter. It shall be a minimum width of 31' back of curb to back of curb with four foot sidewalks on both sides or an internal trail system. Accesses are restricted from property lines and intersections. A lot fronting both a local street and a collector must take access from the collector.

Commercial Collector – Commercial Collectors are designed to collect traffic from local streets and move traffic in and out of the commercial development. A commercial collector is required from Farm Road 89 to the east property line. This collector shall be constructed in a sixty foot right of way with curb and gutter. It shall be a minimum width of 31' back of curb to back of curb with four foot sidewalks on both sides. No residential access allowed. Commercial access spaced a minimum of 200 feet apart.

Farm Road 89 – Farm Road 89 shall be constructed to Secondary Arterial standards. Farm Road 89 shall be constructed in an eighty foot right of way with curb and gutter. It shall be a minimum width of 41' back of curb to back of curb with four foot sidewalks on both sides. No residential access allowed; street intersections and commercial entrances spaced 300 feet apart.

Future Bailey Avenue – This north/south secondary arterial located on the east side of the subdivision shall be constructed in a sixty foot right of way with curb and gutter on the west side only with an open ditch section on the east side. It shall be a minimum of '26 foot wide with a four foot sidewalk on the west side from Farm Road 194 and stubbed into the Phillips property. Only street access allowed.

Farm Road 194 – This future primary arterial, as designated on Greene County's major thoroughfare plan, shall have a right of way dedicated of 100' wide through the subdivision. Developer is required to pay sidewalk fees only along this route but no improvements are required except what is disturbed at the round-a-bout area.



The legal description for that 40 acre tract that FR 89 will run through from MPI to the existing FR 89 is as follows:

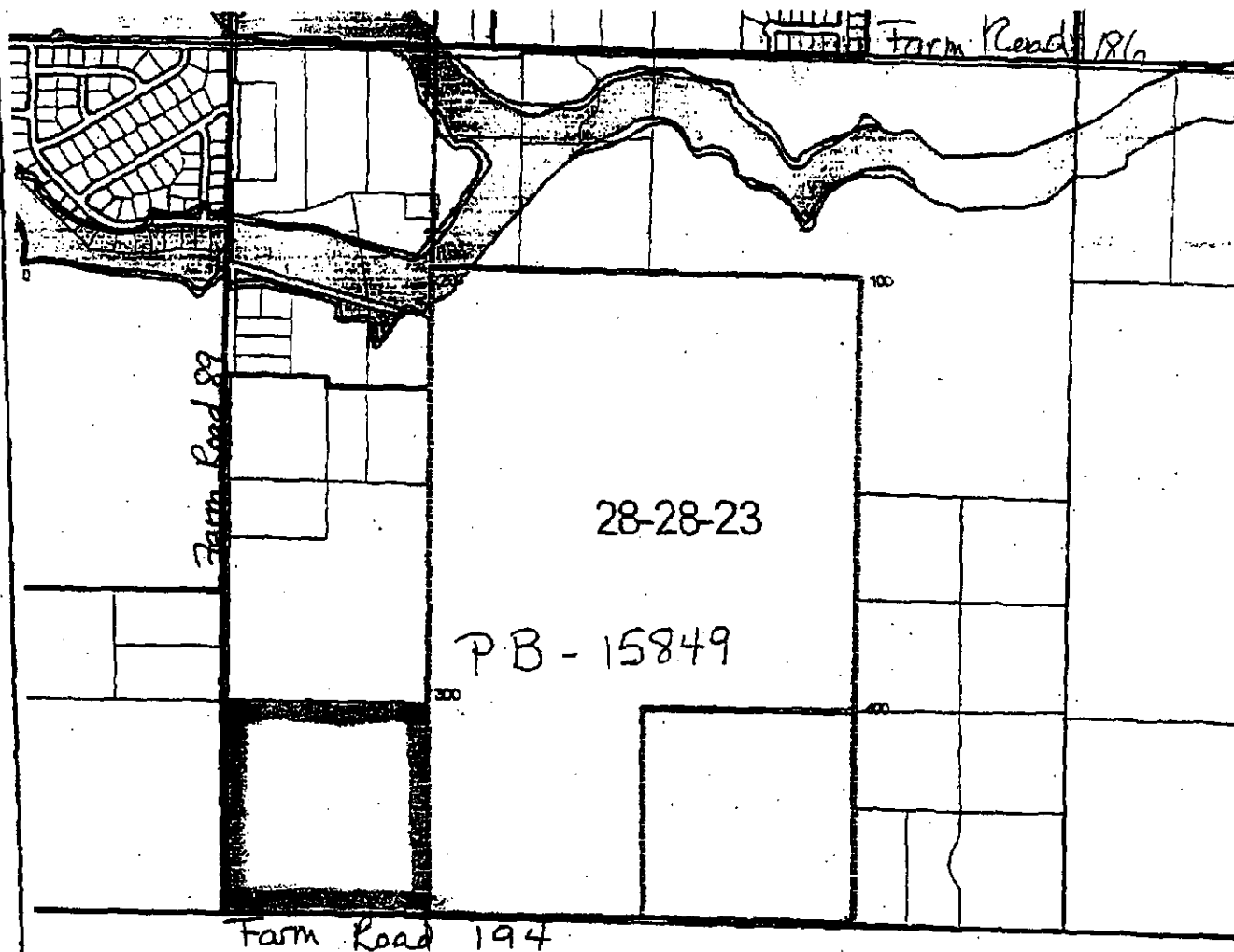
SW 1/4, SW 1/4, Section 30, TN 28, R23





940 N. BURLINGAME AVE.
Springfield, MO 65804
Phone: 417-868-4800
Fax: 417-868-4808

Property Address: 1492 E WOOD ST GREENE COUNTY
Legal Desc: NW1/4 SE1/4 & SW1/4 NE1/4 & NW1/4 & E1/2 SW1/4 28/28/23
Subdivision: N/A
Zoning: A-1



Christian County



DEC 20, 2004

Prepared under the direction of
State Tax Commission of Missouri
and Greene County Tax Assessor.
This property ownership map is for
tax purposes only. It is not intended
for conveyances.

200 0 200 100 Feet

Legend

- (1) SUBDIVISION LOT NUMBER
- 10 PARCEL NUMBER
- 100 MAP BLOCK NUMBER
- PROPERTY LINE
- ORIGINAL LOT LINE
- R/W LINE
- - RAILROAD R/W LINE
- CORPORATION LINE

AREA INDEX

5	4	3	2	1
6	7	8	9	10
15	14	13	12	11
10	17	16	18	20

Greene County

SECTION INDEX

1	2	3	4	5
6	7	8	9	10
11	12	13	14	15
16	17	18	19	20

1/4 SECTION INDEX

NW	NE
SW	SE

IRREVOCABLE CONSENT TO ANNEXATION AND AGREEMENT RELATING THERETO

This Irrevocable Consent to Annexation and Agreement Relating Thereto is made and entered into this ____ day of _____, 20____

WITNESSETH:

WHEREAS, _____, (hereinafter "Owners") are the record Owners a fee simple interest in the following described real property:
[See Exhibit "A" attached hereto and incorporated herein by reference; and]

WHEREAS, the above-described realty lies outside of the city limits of the City of Republic, Missouri, (hereinafter the "City"); and

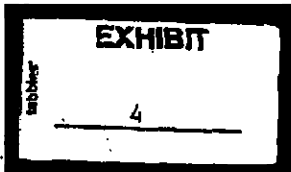
WHEREAS, Owners have asked the Board of Aldermen (hereinafter "Board") of the City to provide Owners with water and/or sewer service by permitting Owners to connect on to the City's water and/or sewer system; and

WHEREAS, it is the policy of the City and the Board not to supply water or sewer to realty and persons located outside of the city limits; and

WHEREAS, the City, through its Board, is willing to deviate from the above stated policy, and is willing to allow Owners to connect on to the City's water and/or sewer system if, and only if, Owners will irrevocably agree to consent to any future annexation by the City of the above described realty in the event the City and the Board determine such annexation would be in the best interests of the City.

NOW THEREFORE, it is hereby agreed by and between the parties as follows:

1. The City, acting through its Board, hereby agrees to permit Owners to connect to the City's water and/or sewer system and Owners hereby irrevocably consent, on behalf of themselves, their successors and assigns, to any future annexation of the above-described realty by the City irrespective of who initiated the annexation process.



2. The City shall charge, and Owners shall pay, such amounts as the City determines are necessary, appropriate or reasonable for all water and/or sewer service supplied Owners.

3. At such time as the Board, by resolution or ordinance, declares that annexation of hereinbefore described realty is in the best interests of the City; Owners, their successors and/or assigns shall cause a voluntary petition for annexation of the above-described realty to be presented to the Board as provided by Section 71.012 RSMo.

4. Alternatively, in the event the City initiates an annexation proceeding in the court system of this state which ultimately requires voter approval, and in the further event such annexation proceeding involves the above-described realty; Owners, their successors and/or assigns hereby agree to cooperate fully with the City and the Board in the annexation process, and Owners, their successors and/or assigns agree they will in no way object to or do anything which would impede the annexation process.

5. In the event Owners, their successors and/or assigns, or anyone acting by, through to on behalf of any of them, shall fail to cooperate fully with the City and the Board in any future annexation proceeding, irrespective of the form of that proceeding, or should Owners, their successors and/or assigns object to or do anything which would impede any such annexation proceeding, should Owners, their successors and/or assigns object to or do anything which would impede any such annexation proceeding, then the City may thereafter, without notice, terminate water and/or sewer service to the above-described realty and disconnect said property from the City's water system.

6. This agreement and the irrevocable consent contained herein shall remain in full force and effect so long as Owners continue to receive water and/or sewer service from the City and/or are connected to the City's water and/or sewer system.

7. This agreement, including the irrevocable consent contained herein, shall be enforceable by specific performance, at the option of the City, and, if litigation is initiated, the parties agree that venue shall be proper only in the Circuit Court of Greene County, Missouri, and all parties expressly waive any rights to venue inconsistent therewith.

8. This agreement and the irrevocable consent contained herein shall be deemed to be a covenant running with the land and shall be binding upon Owners, their heirs, legal representatives, successors and assigns.

Property Owner

Property Owner

STATE OF MISSOURI)
) ss.
COUNTY OF GREENE)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he (she) executed the same as his (her) free act and deed. And she said _____ further declared himself (herself) to be single and unmarried.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in _____ the day and year first above written.

Notary Public

My commission expires:

STATE OF MISSOURI)
) ss.
COUNTY OF GREENE)

On this ____ day of _____, 20____, before me personally appeared _____
_____ to me known to be the person(s) described in
and who executed the foregoing instrument, and acknowledged the he (they) executed
the same as his (their) free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my
official seal, at my office in _____ the day and year first
above written.

Notary Public

My commission expires:

STATE OF MISSOURI)
) ss.
COUNTY OF GREENE)

On this ____ day of _____, 20____, before me personally appeared
_____ to me personally known, who being duly
sworn, did say that she/he is _____ of _____
that the seal affixed to this instrument is the corporate seal of said corporation, and that
the said instrument was signed and sealed in behalf of said corporation by authority of
its Board of Directors and the said _____ acknowledged said instrument
to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my
official seal, at my office in _____, the day and year
first above written.

Notary Public

My commission expires:

EXHIBIT 5

ALLOCATION OF COSTS FOR PROJECT BETWEEN CITY AND DEVELOPER

Project Cost Reimbursable

Summarized below are the broad categories of costs to be included in the reimbursement calculation, additional items that are attributed to the cost of the overall project may be included as appropriate. Due to the nature of the land ownership the costs will be kept and reimbursed in two distinct categories.

- A. Right-of-way Acquisition Costs, including but not limited to:
 - 1. Legal fees;
 - 2. Purchase costs;
 - 3. Administrative fees;
 - 4. Condemnation costs;
 - 5. Accounting fees.

- B. Design and Construction Costs, including but not limited to:
 - 1. Legal fees;
 - 2. Utility Relocation;
 - 3. Engineering and Design Fees necessary for this roadway;
 - 4. Bid and Bid Evaluation costs, if any;
 - 5. Survey costs necessary for the roadway, including topography mapping, construction, staking, and installation of property pins;
 - 6. Administrative fees for printing, copying, typing, and other clerical or reproduction costs necessary for the project;
 - 7. Permit and Inspection fees charged by government agencies;
 - 8. Engineering or Design, including plan review, fees charged by government agencies;
 - 9. Construction costs;
 - 10. Traffic signage installation and/or fees;
 - 11. Accounting Fees, including disbursement costs.

EXHIBIT

5

R E C E I V E D
OCT 02 2007

**COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION**

**IRREVOCABLE CONSENT TO ANNEXATION
AND AGREEMENT RELATING THERETO**

This Irrevocable Consent to Annexation and Agreement Relating Thereto is made and entered into this 30th day of April, 2007.

WITNESSETH:

WHEREAS, SHUYLER Ridge, LLC (hereinafter "Owners") are the record Owners a fee simple interest in the following described real property:

[See Exhibit "A" attached hereto and incorporated herein by reference; and]

WHEREAS, the above-described realty lies outside of the city limits of the City of Republic, Missouri, (hereinafter the "City"); and

WHEREAS, Owners have asked the Board of Aldermen (hereinafter "Board") of the City to provide Owners with water and/or sewer service by permitting Owners to connect on to the City's water and/or sewer system; and

WHEREAS, it is the policy of the City and the Board not to supply water or sewer to realty and persons located outside of the city limits; and

WHEREAS, the City, through its Board, is willing to deviate from the above stated policy, and is willing to allow Owners to connect on to the City's water and/or sewer system if, and only if, Owners will irrevocably agree to consent to any future annexation by the City of the above described realty in the event the City and the Board determine such annexation would be in the best interests of the City.

NOW THEREFORE, it is hereby agreed by and between the parties as follows:

1. The City, acting through its Board, hereby agrees to permit Owners to connect to the City's water and/or sewer system and Owners hereby irrevocably consent, on behalf of themselves, their successors and assigns, to any future annexation of the above-described realty by the City irrespective of who initiated the annexation process.

2. The City shall charge, and Owners shall pay, such amounts as the City determines are necessary, appropriate or reasonable for all water and/or sewer service supplied Owners.

3. At such time as the Board, by Resolution or Ordinance, declares that annexation of hereinbefore described realty is in the best interests of the City; the City shall present the attached Voluntary Petition for Annexation to the Board as provided by Section 71.012 RSMo.

4. Alternatively, in the event the City initiates an annexation proceeding in the court system of this state which ultimately requires voter approval, and in the further event such annexation proceeding involves the above-described realty; Owners, their successors and/or assigns hereby agree to cooperate fully with the City and the Board in the annexation process, and Owners, their successors and/or assigns agree they will in no way object to or do anything which would impede the annexation process.

5. In the event Owners, their successors and/or assigns, or anyone acting by, through to on behalf of any of them, shall fail to cooperate fully with the City and the Board in any future annexation proceeding, irrespective of the form of that proceeding, or should Owners, their successors and/or assigns object to or do anything which would impede any such annexation proceeding, should Owners, their successors and/or assigns object to or do anything which would impede any such annexation proceeding, then the City may thereafter, without notice, terminate water and/or sewer service to the above-described realty and disconnect said property from the City's water system.

6. This agreement, the Irrevocable Consent to Annexation, and the Voluntary Petition for Annexation contained herein shall remain in full force and effect so long as Owners continue to receive water and/or sewer service from the City and/or are connected to the City's water and/or sewer system.

7. This agreement, including the Irrevocable Consent to Annexation contained herein, and the Voluntary Petition for Annexation shall be enforceable by specific performance, at the option of the City, and, if litigation is initiated, the parties agree that venue shall be proper only in the Circuit Court of Greene County, Missouri, and all parties expressly waive any rights to venue inconsistent therewith.

8. This agreement, the Irrevocable Consent to Annexation contained herein shall be deemed to be a covenant running with the land and shall be binding upon Owners, their heirs, legal representatives, successors and assigns.

Daniel R. Clark

Partner

MANAGING MEMBER

Partner

Partner

Partner

SHUYLER RIDGE, LLC
LLC

STATE OF MISSOURI)

) ss.

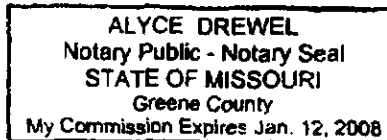
COUNTY OF GREENE)

On this 30th day of April, 2007, before me personally appeared Daniel R. Clark to me personally known, who being duly sworn, did say that she/he is managing member of Shuyler Ridge, LLC and ~~that the seal affixed to this instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and the said xxxxxxxxxxxxxxxx~~ acknowledged said instrument to be the free act and deed of ~~said corporation~~ Shuyler Ridge, LLC.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in Springfield, Missouri, the day and year first above written.

Alyce Drewel
Notary Public

My commission expires:



**AGREEMENT FOR THE PURCHASE OF ELECTRIC
POWER AND ENERGY**

This Agreement made and entered into this 15th day of September, 2005,
between Ozark Electric Cooperative, Inc., a Missouri cooperative corporation (hereinafter "Cooperative"), and
Shuyler Ridge L.L.C., legal landowners/developers of property described below (hereinafter "Developer"), upon
the terms that follow:

WITNESSETH:

Whereas, Cooperative is lawfully engaged in the business of providing electric power and energy to members in Greene
County, Missouri, and

Whereas, Developer is in the process of acquiring, developing, and selling for residential and/or commercial use
property described as:

A tract of land, situated in Section 28, Township 28 North, Range 23 West, Greene County, Missouri, and more
particularly described as follows: Beginning at an Existing Iron Pin at the Northwest Corner of the Southeast
Quarter of the Northwest Quarter of said Section 28; THENCE South 89 degrees 12 minutes 31 seconds East
along the North Line of said Southeast Quarter of the Northwest Quarter a distance of 1,339.21 feet to the
Northeast Corner of said Southeast Quarter of the Northwest Quarter for corner; THENCE South 89 degrees 13
minutes 36 seconds East along the North Line of the Southwest Quarter of the Northeast Quarter of said
Section 28 a distance of 1,341.46 feet to the Northeast Corner of said Southwest Quarter of the Northeast
Quarter for corner; THENCE South 01 degrees 27 minutes 46 seconds West along the East Line of said
Southwest Quarter of the Northeast Quarter a distance of 1,327.25 feet to an Existing Iron Pin at the Northeast
Corner of the Northwest Quarter of the Southeast Quarter for corner; THENCE South 01 degrees 29 minutes 59
seconds West along the East Line of said Northwest Quarter of the Southeast Quarter and along the East Line
of the Southwest Quarter of said Southeast Quarter a distance of 2,655.78 feet to the Southeast Corner of said
Southwest Quarter of the Southeast Quarter for corner; THENCE North 89 degrees 01 minutes 25 seconds
West along the South Line of said Southwest Quarter of the Southeast Quarter a distance of 1,344.17 feet to an
Existing Square Bolt at the Southeast Corner of the Southeast Quarter of the Southwest Quarter of said Section
28 for corner; THENCE North 89 degrees 23 minutes 28 seconds West along the South Line of said Southeast
Quarter of the Southwest Quarter a distance of 1,340.81 feet to the Southwest Corner of said Southeast Quarter
of the Southwest Quarter for corner; THENCE North 01 degrees 33 minutes 31 seconds East along the West
Line of said Southeast Quarter of the Southwest Quarter and along the West Line of the Northeast Quarter of
said Southwest Quarter a distance of 2,653.49 feet to an Existing Iron Pin at the Northwest Corner of said
Northeast Quarter of the Southwest Quarter for corner; THENCE North 01 degrees 31 minutes 51 seconds East
along the West Line of said Southeast Quarter of the Northwest Quarter a distance of 1,329.10 feet to the
POINT OF BEGINNING, and containing 245.15 acres of land, more or less, subject to easements and/or rights
of way.

Now therefore, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

1. Cooperative shall design, plan, install and make all provisions necessary to supply electric power and energy to all
persons, businesses, entities, and structures or facilities requiring electric energy and power within the real estate
development tract described above. Relocation of Cooperative facilities now existing on the above described property and
installation of additional Cooperative facilities shall be without cost to Developer and its purchasers/tenants; provided,
however, that Cooperative's rate schedules, street lighting policy, line extension policy and underground construction
policy shall be applied in the same manner as for other members with the same or similar service requirements.
2. The scope of the development of the above described tract is as shown on the attached plat map dated December 20,
2004, consisting of approximately Five Hundred and Seventeen (517) single residence dwellings. For utility investment
efficiency, the residential construction shall be initiated in four (4) or more phases of roughly equivalent size and
undertaking, with each phase to be completed with no less than seventy percent (70%) of its residences under construction
or occupied prior to opening the next phase for development. Cooperative shall have no obligation to construct, install or
extend electric distribution infrastructure and facilities in advance of such reasonable utilization by electric customers.

3. In consideration for Cooperative's investment in comprehensive electric service planning for the development tract, Developer agrees to purchase all of its electric energy and power requirements from Cooperative and agrees to bind its purchasers and tenants to purchase all of their electricity requirements from Cooperative as members of Cooperative. This covenant shall apply to Developer's successors and assigns. It is further agreed that Cooperative shall supply all of the electrical energy for all street lighting.

4. The parties understand and agree that the described tract is subject to a separate Developer's agreement with the City of Republic, Missouri, titled "Irrevocable Consent to Annexation and Agreement Relating Thereto", that grants to the City the right to govern the timing of voluntary municipal annexation of the development tract. Developer intends that Cooperative be a beneficiary of that agreement and hereby covenants to take all actions and to establish all requirements necessary to allow the installation of Cooperative electric service at completed residential and commercial structures prior to their voluntary municipal annexation.

5. This Agreement shall remain in force and effect for a period of twenty (20) years from the date of execution. It shall automatically be renewed thereafter for sequential terms of five (5) years each unless either party shall give the other written notice of termination at least One-Hundred and Twenty (120) days prior to the last date of the current term or extension.

6. Developer shall provide Cooperative with exclusive electric utility easements of sufficient size and configuration to carry out the intent of this Agreement. All equipment and facilities provided and installed by Cooperative shall remain at all times the sole property of Cooperative. The Cooperative shall have the right to enter the development property at all reasonable times in order to fulfill its service obligations under this contract.

7. Should any provision of this agreement be held invalid or illegal by a court or agency of competent jurisdiction, such invalidity or illegality will not invalidate the whole of this Agreement, and the rights and obligations of the Parties shall be construed and enforced according to the remaining provisions.

8. This agreement shall be governed and construed by the laws of the State of Missouri.

9. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

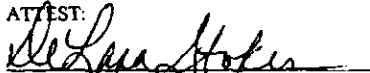
IN WITNESS WHEREOF, the parties have on the date stated above caused this Agreement to be executed in their respective names and attested by their respective officers duly authorized to act on their behalf.

OZARK ELECTRIC COOPERATIVE, INC.

By: 

Jerry Mayberry
General Manager

ATTEST:


DeLana Stokes
Secretary

SHUYLER RIDGE, L.L.C.

By: J. Trent Cowherd
J. Trent Cowherd
Member

By: Daniel R. Clark
Daniel R. Clark
Member

Jane Cowherd, member

OZARK ELECTRIC COOPERATIVE, INC.
P O BOX 420
MOUNT VERNON, MO 65712
417-466-2144

I N V O I C E

2496

EMPIRE DISTRICT ELECTRIC
MR RANDY CARUTHERS
215 W MAIN
BRANSON MO

65616

RECEIVED

05/18/2006

MAY 26 '06

426-001

ACCOUNTING

DESC	QTY	U/M	PRICE	TOTAL
BALANCE FORWARD				.00
SHUYLERS RIDGE				
SEE ATTACHED SHEET FOR DETAILS			177921.74	177921.74
INVOICE TOTAL				177921.74
ACCOUNT BALANCE				177921.74

PAYMENT DUE UPON RECEIPT OF INVOICE.

THANK YOU.

B/V	001	Voucher	221111
Vendor	14656	Addr	1
Bank/Check	Reg		
Invoice	00	Due Date	6-7
Use TR		Proc Code	CW
Ext by	ph		ph
Attached	✓		

211-MD-10428-C

Randy Caruthers

5-22-06

MFB

426-001

INVOICE NUMBER 2496
INVOICE DATE 05/18/2006

ACCOUNT BALANCE 177921.74

EMPIRE DISTRICT ELECTRIC
MR RANDY CARUTHERS
215 W MAIN
BRANSON MO

65616

Return this Portion with Payment

REC
6-7-06
JH

Ozark Electric Cooperative
The Lakes at Shuyler Ridge

Material Inventory

Item	Description	Quantity	Cost
1	3 " Conduit	15,420	\$ 21,433.80
2	2 " Conduit	21,560	\$ 16,170.00
3	1" Conduit	3,782	\$ 1,418.25
4	3" Conduit Sweeps	54	\$ 1,928.88
5	2" Conduit Sweeps	377	\$ 8,116.81
6	Light Bases	34	\$ 10,159.20
7	Gravel for backfill	From Invoice	\$ 9,776.76
8	Miscellaneous Material		\$ 1,628.63
9	Trenching by MPI @ \$4.00/ft	15,545	\$ 62,180.00
10	OEC Direct Labor		\$ 27,239.98
11	Payroll Overhead Rate @ 65.6%		<u>\$ 17,869.43</u>
			\$177,921.74

Required For Job

Meter Order:

Permit:

UG Locate:

CD Approval: Not required

10553 msg

CUST COPY
T & D COPY
ACCTG COPY
ACD COPY

THE EMPIRE DISTRICT ELECTRIC COMPANY

JOPLIN, MISSOURI 64801

SA 76 11-96

CONSTRUCTION REQUEST AND CONTRACT

This AGREEMENT, entered into this 12th day of June, 20 06
between The Lakes SHUYLER RIDGE Property Owners Association Inc.

Billing Address: 3159 W. Republic Road

Springfield

MO

65807

hereinafter called the Customer, and The Empire District Electric Company, hereinafter sometimes called the Company,
witnesseth:

(1) The Customer hereby requests the Company to perform the following described work:

Supply and install 38 - 150 watt hps cobra street lights on 30' black fiberglass poles.

All remaining costs currently waived by M. Palmer / R. Caruthers pending PSC approval on SA-76 # 10552

Note: No lights will be energized until developer, homeowners association or third party applies for service for lights.

SEC./TN./RG.: 28 28 23

DATE SERVICE WANTED: 05 Jan 06

WORK LOCATION: 1/4 Mile east of County Line Road and Lynn Avenue intersection on north side of County Line Road.

(2) The Company agrees to complete the work as described above for the sum of \$ \$3,800.00

within a reasonable period of time, and the Customer agrees to pay such sum to The Empire District Electric Company as compensation for such work upon receipt of an invoice therefor from the Company.

Return with payment to:
Empire District Electric Co
104 E. Mill
Republic, Mo. 65738

Nick Robinson

(Customer)

THE EMPIRE DISTRICT ELECTRIC COMPANY

By: Shane Grooms

CER No.: _____

Job No.: _____

☒ **PAID**
01/09/07
MSB

Required For Job

Meter Order:

Permit:

UG Locals:

CD Approval: Not required

10597

meg

CUST COPY ☐
T & D COPY ☐
ACCTG COPY ☐
ACD COPY ☐

THE EMPIRE DISTRICT ELECTRIC COMPANY

JOPLIN, MISSOURI 64801

SA 76 11-66

CONSTRUCTION REQUEST AND CONTRACT

This AGREEMENT, entered into this 15th day of June, 20 06
between Missouri Partners Incorporated

Billing Address: 800 State Highway 248 Unit D

Branson

MO

65818

hereinafter called the Customer, and The Empire District Electric Company, hereinafter sometimes called the Company,
witnesseth:

(1) The Customer hereby requests the Company to perform the following described work:

Supply and install 8 - 150 watt hps cobra lights on fiberglass poles.

All remaining costs currently waived as per M. Palmer / R. Caruthers pending PSC approval on SA-76#10596.

Note: No lights will be energized until developer, homeowners association, government entity or other 3rd party applies for service for lights.

SEC./TN./RG.: 28 28 23

DATE SERVICE WANTED: _____

Roundabout on County Line Road aka Farm Road 194, Republic

WORK LOCATION:

(2) The Company agrees to complete the work as described above for the sum of \$ \$800.00

within a reasonable period of time, and the Customer agrees to pay such sum to The Empire District Electric Company as compensation for such work upon receipt of an invoice therefore from the Company.

Return with payment to:
Empire District Electric Co
104 E. Mill
Republic, Mo. 65738

Smulford
Missouri Partners, Inc.
(Customer)

THE EMPIRE DISTRICT ELECTRIC COMPANY

By: Shane Grooms

CER No.: _____

Job No.: _____

☒ **PAID**

07/17/06

ms

Missouri Public Service Commission

Data Request

Data Request No.	0007
Company Name	Empire District Electric Company, The-Investor(Electric)
Case/Tracking No.	EO-2008-0043
Date Requested	10/26/2007
Issue	General Information and Miscellaneous - Territorial Agreements
Requested From	Michael E. Palmer
Requested By	Dan Beck
Brief Description	Predominant Supplier
Description	Is Empire District Electric the predominant supplier for the City of Republic?
Due Date	11/7/2007

The attached information provided to Missouri Public Service Commission Staff in response to the above data information request is accurate and complete, and contains no material misrepresentations or omissions, based upon present facts of which the undersigned has knowledge, information or belief. The undersigned agrees to immediately inform the Missouri Public Service Commission Staff if, during the pendency of Case No. EO-2008-0043 before the Commission, any matters are discovered which would materially affect the accuracy or completeness of the attached information.

If these data are voluminous, please (1) identify the relevant documents and their location (2) make arrangements with requestor to have documents available for inspection in the Empire District Electric Company, The-Investor(Electric) office, or other location mutually agreeable. Where identification of a document is requested, briefly describe the document (e.g. book, letter, memorandum, report) and state the following information as applicable for the particular document: name, title number, author, date of publication and publisher, addresses, date written, and the name and address of the person(s) having possession of the document. As used in this data request the term "document(s)" includes publication of any format, workpapers, letters, memoranda, notes, reports, analyses, computer analyses, test results, studies or data, recordings, transcriptions and printed, typed or written materials of every kind in your possession, custody or control or within your knowledge. The pronoun "you" or "your" refers to Empire District Electric Company, The-Investor(Electric) and its employees, contractors, agents or others employed by or acting in its behalf.

Security	Public
Rationale	NA

/s/Martin Penning
October 31, 2007

With Proprietary and Highly Confidential Data Requests a Protective Order must be on file.

The information contained in this message may be privileged and/or confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this in error, please notify the sender immediately by replying to the message and deleting the material from any computer.

Empire Response

Empire is the predominant supplier for the City of Republic.

/s/Martin Penning
October 31, 2007