

INTERLOCAL COOPERATION AGREEMENT
PROVIDING FOR THE ORGANIZATION AND OPERATION OF
CENTRAL PLAINS ENERGY PROJECT

Dated as of August 15, 2006

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**INTERLOCAL COOPERATION AGREEMENT
PROVIDING FOR THE ORGANIZATION AND OPERATION OF
CENTRAL PLAINS ENERGY PROJECT**

This Interlocal Cooperation Agreement, dated as of August 15, 2006 (this “*Agreement*”) is made and entered into by the Public Agencies that are the parties to this Agreement (collectively, the “*Members*”) with reference to the following

RECITALS:

WHEREAS, each of the Members is a Public Agency and a Governmental Utility and is authorized by the laws of the State under which it exists or was created to (i) acquire, purchase, transport, store and manage supplies of Gas, (ii) issue revenue bonds to finance the cost of obtaining Gas supplies and (iii) enter into agreements for joint and cooperative action with other Public Agencies;

WHEREAS, the purpose of the Nebraska Interlocal Cooperation Act, Chapter 13, Article 8, Nebraska Revised Statutes, as amended (the “*Act*”), is to permit local government units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with the geographic, economic, population and other factors influencing the needs and development of local communities;

WHEREAS, pursuant to the Act, any power or powers, privileges or authority exercised or capable of exercise by a Public Agency may be exercised and enjoyed jointly with any other Public Agency and any two or more Public Agencies may enter into agreements with one another for joint or cooperative action;

WHEREAS, an agreement entered into by Public Agencies pursuant to the Act may provide for the creation of a separate legal entity to accomplish their joint or cooperative purposes and may delegate to such separate legal entity their jointly held powers, privileges or authorities;

WHEREAS, Chapter 28E of the Iowa Code, entitled “Joint Exercise of Governmental Powers,” (i) has the same purpose as the Act, (ii) provides for the joint exercise of powers by public agencies of the State of Iowa with public agencies of any State and (iii) authorizes Iowa public agencies to enter into agreements providing for the creation of, and the delegation of jointly held powers to, a separate legal entity; and

WHEREAS, each of the Members is a Public Agency and desires to enter into this Agreement pursuant to the authority contained in the Act to provide for (i) the creation and organization of the Central Plains Energy Project (“*CPEP*”) as a separate legal entity, a public body corporate and politic of the State of Nebraska, and an instrumentality of the Members pursuant to the provisions of the Act to accomplish their joint and cooperative action, and (ii) the

delegation to CPEP of certain common powers of the Members and the exercise by CPEP of the powers conferred by the Act;

NOW, for and in consideration of the terms and provisions of this Agreement and the mutual obligations and undertakings of the Members contained in this Agreement, the Members hereby agree as follows:

Section 1. Definitions and Construction.

(a) DEFINITIONS. The following terms when used in this Agreement have the following meanings:

“*Act*” means the Nebraska Interlocal Cooperation Act, Chapter 13, Article 8, Nebraska Revised Statutes, as amended.

“*Additional Member*” means any Public Agency that becomes a party to this Agreement and a Member of CPEP as provided in Section 5.

“*Administrative and General Costs*” or “*A&G Costs*” means the administrative and general costs and expenses of CPEP, including salaries, wages and benefits, costs of management and administration, costs of the preparation of the annual budget and financial statements required by Section 7 and other costs and expenses relating to the general organization, management and administration of CPEP, all to the extent not allocable to any Project as determined by the Board.

“*Agreement*” means this Interlocal Cooperation Agreement dated as of August 15, 2006, as it may be amended or supplemented from time to time in accordance with its terms.

“*Alternate Director*” means an individual appointed by the governing body of a Member to serve on the Board in place of the Director appointed by it.

“*Board*” means the Board of Directors of CPEP established pursuant to Section 6.

“*Bonds*” means revenue bonds, notes or other evidences of indebtedness issued by CPEP to finance or refinance all or any part of the costs of a Project.

“*Bylaws*” means the Bylaws of CPEP.

“*CPEP*” means the Central Plains Energy Project, a separate legal entity and a public body corporate and politic of the State of Nebraska organized and existing pursuant to the provisions of the Act and this Agreement.

“*Director*” means an individual appointed by the governing body of a Member to serve on the Board.

“*Effective Date*” means the date on which this Agreement shall be fully effective, which shall be the date, following the approval and execution of this Agreement by two of the Initial Members, on which all required approvals and filings of this Agreement under the Act and other applicable State law have been obtained and made, all as provided in Section 2.

“*Gas*” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“*Gas Supply Contract*” means a contract under which CPEP provides Gas supply, transportation, storage, management and/or related services to a Member or a Project Participant, including all amendments thereof and supplements thereto.

“*Governmental Utility*” means a Public Agency that (i) owns and operates either or both a Gas distribution utility or an electric generation and distribution utility or (ii) provides Gas or electricity at wholesale to entities that own and operate such utilities.

“*Initial Members*” means: the Municipal Gas Utility of the City of Cedar Falls, Iowa and the Metropolitan Utilities District of Omaha, each of which is a Public Agency and a party to this Agreement on its Effective Date, and any other Public Agency that becomes a party to this Agreement within 60 days of the Effective Date.

“*Members*” means, collectively, the Initial Members and any Additional Members.

“*MMBtu*” means 1,000,000 British Thermal Units.

“*Program*” means the acquisition, transportation, storage, management and related services and functions which are necessary or desirable to provide to the Members secure, reliable and economic supplies of Gas, including the undertaking and financing of one or more Projects, all of which shall be undertaken by CPEP as the instrumentality of the Members as provided in this Agreement.

“*Project*” means any undertaking of CPEP in furtherance of the Program, including the acquisition of supplies of Gas, whether through the acquisition of working or royalty interests in Gas reserves, gas purchase agreements (whether providing for payments over time or lump sum prepayments) or other arrangements, for sale pursuant to Gas Supply Contracts.

“*Project Costs*” means all costs incurred or payable by CPEP in connection with a Project, including Project development costs, all costs of acquisition of Gas, operating expenses, debt service on Bonds and the costs of necessary reserves.

“*Project Management Committee*” means a committee of Project Participants described in Section 6(f).

“*Project Participants*” means the Members or non-Member Public Agencies that participate in a Project under Gas Supply Contracts with CPEP.

“*Public Agency*” has meaning assigned to such term in the Act.

“*State*” means the State of Nebraska and each other State in which a Member is located.

“*Weighted Vote*” means, for purposes of voting on a matter before a Project Management Committee, that each representative of a Project Participant may cast that number of votes that is equal to the result (expressed as a percentage) obtained by dividing the amount of MMBtus of Gas purchased by the Project Participant under the Gas Supply Contract for that Project during the immediately preceding calendar year by the total MMBtus of Gas purchased by all Project Participants under the Gas Supply Contracts for that Project during such calendar year.

(b) CONSTRUCTION. Except where the context otherwise requires:

(i) words importing the singular number includes the plural number and vice versa,

(ii) the term “person” includes any of the Members and Project Participants, individuals, corporations, firms, associations, trusts and federal, state and local governments and agencies,

(iii) the term “include” and its derivations are not limiting, and

(iv) references to Sections are references to the Sections of this Agreement.

Section 2. Findings and Determinations; Purpose of and Authority for this Agreement.

(a) FINDINGS AND DETERMINATIONS. Each of the Members hereby finds, determines and declares that:

(i) the acquisition of secure, reliable and economic supplies of Gas is necessary for the accomplishment of essential governmental purposes of the Members, including the prudent and successful operation of their Governmental Utilities and the continued economic development of the communities they serve;

(ii) restructuring and deregulation of and increased competition in the Gas industry have imposed direct and substantial burdens and responsibilities on Governmental Utilities with respect to the acquisition, management and transportation of supplies of Gas and, together with high and volatile prices of Gas and Gas equivalents and unstable conditions in the wholesale Gas markets, have exposed Governmental Utilities to significant price, supply and counterparty risks;

(iii) it is necessary, desirable and in the best interest of the Member and to the benefit of the customers and areas served by the Member to enter into this Agreement to provide for their joint and cooperative action and the organization and operation of CPEP for the purposes herein provided; and

(iv) CPEP in the exercise of the powers delegated to it under this Agreement and as set forth in the Act shall be performing essential governmental functions as a “joint entity” under the Act and as an agency, instrumentality and constituted authority of the Members.

(b) PURPOSE. The purpose of this Agreement is to (i) set forth the agreement of the Members for their joint and cooperative action with respect to the Program, and (ii) provide for the creation, organization and operation of CPEP pursuant to the Act to undertake and give effect to the Program. Each of the Members hereby declares and agrees that the purposes of this Agreement are necessary, desirable and reasonable and are for the benefit of the customers and areas served by it.

(c) AUTHORITY. This Agreement is entered into pursuant to the authority contained in the Act and, with respect to Members organized or existing under the laws of a State other than the State of Nebraska, the laws of such other State.

(d) FILING AND APPROVAL. Promptly upon the approval of this Agreement by its governing body and the execution of this Agreement by its duly authorized officers, each of the Initial Members shall cause this Agreement to be filed with and/or submitted to each public officer, body or agency that is required to receive or approve this Agreement under applicable State law as a condition to its effectiveness. Upon the completion and/or receipt of all filings, submissions and approvals of this Agreement required with respect to an Initial Member, such Member shall give written notice thereof to each of the other Initial Members, or shall deliver a written statement to each of the other Initial Members to the effect that no such filing, submission or approval of this Agreement is required with respect to it.

(e) CERTIFICATES AND OPINIONS. Concurrently with the delivery of the written statement described in paragraph (c) above, each Initial Member shall deliver to the other Initial Members such officer’s certificates and opinions of legal counsel as are reasonably necessary to establish that this Agreement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding agreement.

Section 3. Creation and Organization of CPEP. Pursuant to the authority contained in the Act, the Members hereby create and organize CPEP as a separate legal entity and a joint entity pursuant to the Act and as a public body corporate and politic of the State of Nebraska to accomplish their joint and cooperative action with respect to the Program, all pursuant to the terms, provisions and limitations contained in this Agreement.

Section 4. Purposes and Powers of CPEP; Limitations.

(a) **PURPOSE OF CPEP.** The purpose of CPEP is to implement and give effect to the Program for the benefit of the Members. Each of the Members declares, acknowledges and agrees that, in carrying out the Program, CPEP will be exercising powers for and on behalf of the Members as their instrumentality.

(b) **POWERS.** In furtherance of the Program, CPEP shall have the power to engage in any and all lawful acts and activities concerning the acquisition, purchase, sale, transportation, storage and management of Gas and related functions, as and to the same extent that such power is possessed and capable of exercise by any of the Members under applicable law. The powers so conferred upon and delegated to CPEP shall include the power to:

(i) Enter into contracts with public or private corporations, Public Agencies and other entities or persons for the acquisition, purchase, sale, transportation, storage and/or management of Gas and all other contracts necessary or desirable to implement the Program, including contracts, agreements and transactions to enhance the reliability, economics and other benefits of the Gas supplies provided through the Program and to manage, limit or mitigate the risks associated with the purchase and sale of Gas;

(ii) Purchase or acquire by contract, lease or otherwise one or more Projects; operate, maintain, manage, renew and repair such Projects or enter into contracts for the operation, maintenance, management renewal and repair of such Projects; and enter into contracts and agreements providing for the joint participation in a Project with other persons;

(iii) Enter into Gas Supply Contracts for the sale of Gas to Members and Project Participants and for the provision of all Gas transportation, storage and/or management services necessary or desirable to provide reliable, secure and economical supplies of Gas to Members and Project Participants;

(iv) Issue Bonds, borrow money or incur indebtedness and to assign, pledge or otherwise convey as security for the payment of any such Bonds, borrowed money or indebtedness, the revenues and receipts derived by CPEP under the Gas Supply Contracts or from any other contracts and agreements entered into by CPEP in connection with the Program or a Project;

(v) Enter into contracts and agreements related to Bonds, borrowed money or indebtedness issued or incurred by CPEP, including contracts for legal, financial advisory, underwriting, remarketing and other services; to enter into agreements to

manage the interest rates on its Bonds and financial obligations and to provide for the investment and reinvestment of Bond proceeds and moneys to be used to pay debt service on Bonds; and to obtain ratings and to enter into necessary arrangements for credit and liquidity support for its Bonds and other financial obligations;

(vi) Acquire by gift, grant, purchase or otherwise and to lease any property (real or personal), building, works or improvements necessary or convenient for the purposes provided for in this Agreement;

(vii) Employ or contract with persons or firms for personnel and professional services necessary or desirable to enable CPEP to accomplish its purposes and exercise its powers;

(viii) Sue and be sued in its own name; and

(ix) Take such other actions, engage in such other transactions, enter into such contracts and agreements and do all other things as may be necessary, convenient or appropriate to accomplish its purposes or carry out any of its powers.

All the powers of CPEP shall be exercised by or under the control, supervision and direction of the Board. The foregoing enumeration of powers shall not be construed as limitation on the powers of CPEP, and CPEP shall have the ability to exercise all other powers necessary or desirable to the accomplishment of its purposes. The foregoing delegation of powers to CPEP is non-exclusive and the exercise of any or all of these powers by CPEP shall not preclude any Member from contemporaneously exercising the same or similar powers.

(c) LIMITATIONS. In addition to the limitations and restrictions contained elsewhere in this Agreement, this Agreement is not intended to, and shall not be construed or interpreted to, expand or increase in any manner the powers, duties and authority of any Member under applicable State law.

Section 5. Additional Members. One or more Public Agencies may become Additional Members of CPEP in accordance with this Section 5. Any Public Agency may become a Member of CPEP upon satisfaction of the following conditions:

(a) Such Public Agency (i) is a Public Agency within the meaning of the Act, (ii) owns and operates a Governmental Utility and (iii) is authorized by the laws of the State under which it exists or was created to (A) acquire, purchase, transport, store and manage supplies of Gas, (B) issue revenue bonds to finance the cost of obtaining Gas supplies and (C) enter into agreements for joint and cooperative action with other Public Agencies

(b) This Agreement is duly authorized and approved by appropriate action of the governing body of such Public Agency and the appropriate officers of such Public Agency duly execute a supplement to or counterpart of this Agreement;

(c) Such Public Agency is approved and accepted as an Additional Member of CPEP by the affirmative vote of at least 75% of the total number of Directors on the Board; and

(d) Such Public Agency delivers to CPEP officers' certificates and opinions of legal counsel reasonably necessary to establish (i) the matters covered by clauses (a) and (b) above, (ii) all other required filings, submittals, approvals, consents and permits that may be required by the Act or other applicable law prior to the full effectiveness of this Agreement with respect to such Additional Member, and (iii) the matters described in Section 2(e).

Any Public Agency which becomes a Member in accordance with the foregoing provisions shall be bound by the terms and conditions of this Agreement.

Section 6. Board of Directors.

(a) GENERAL. Concurrently with its authorization and approval of this Agreement, the governing body of each Member shall also appoint one Director and one Alternate Director. Such Director and Alternate Director shall each serve at the pleasure of such governing body, but his or her appointment shall remain in effect until the governing body appoints a successor Director or Alternate Director, as applicable. Each Director and Alternate Director shall be an elected or appointed officer, official or employee of the Member. In the event of the death, disability or disqualification of an individual serving as a Director or Alternate Director, the Member's governing body shall promptly appoint a successor.

(b) MEMBERS OF THE BOARD. The Board shall meet within 31 days of the Effective Date for the purpose of adopting Bylaws, electing officers, establishing committees and addressing such other organizational matters as it deems necessary or appropriate. Thereafter, the Board shall hold an annual meeting at such time and place as it shall designate and shall hold such other meetings as provided in the Bylaws.

(c) BYLAWS. The Board shall adopt Bylaws for the conduct of its affairs and the management of CPEP that are consistent with the provisions of this Agreement and the Act. The Bylaws may be amended or supplemented from time to time by the Board upon the affirmative vote of at least 75% of the total number of Directors on the Board.

(d) QUORUM. The transaction of business of CPEP shall require a quorum of the Board. A quorum shall be determined based upon the total number of Directors on the Board. In all cases, a majority of the Directors shall constitute a quorum.

(e) ACTION. Action by the Board shall be by resolution. A majority vote of the total number of Directors on the Board is required to take action on behalf of CPEP except when a greater number is required by this Agreement.

(f) COMMITTEES OF THE BOARD; PROJECT MANAGEMENT COMMITTEES. The Board may establish one or more committees in furtherance of its purposes and to provide oversight and

direction or assistance, support and advice to CPEP on specific matters, as determined by the Board. Each committee shall act only in an advisory capacity, provided that the Board may (in its discretion and to the extent permitted by law) delegate decision-making authority on specific matters to any committee. The Board may establish an Executive Committee to exercise such of the powers and authority of the Board as may, to the extent permitted by Nebraska law, be delegated by the Board during intervals between Board meetings. A separate Project Management Committee shall be established for each Project undertaken by CPEP in order to provide the Project Participants with direct representation and voting rights with respect to each such Project. The Members intend that the Board shall, to the fullest extent practicable, (i) defer to the particular concerns and objectives of each Project Management Committee with respect to the Project that is governed by such Committee and (ii) act upon and in furtherance of the recommendations of each such Project Management Committee with respect to the Project governed by such Committee. Except for those matters described in the next paragraph, the Board shall act with respect to a Project only by approving or disapproving a specific decision made by the Project Management Committee for such Project. If the Board disapproves a decision of the Project Management Committee it shall state its reasons for doing so and shall refer the matter back to the Project Management Committee for further consideration and revision of the decision.

The following decisions shall be made solely by the Board without regard to any decision by a Project Management Committee: (i) decisions on matters not relating to any Project or relating to more than one Project of CPEP, (ii) organizational and membership matters including matters relating to this Agreement and the Bylaws of CPEP, (iii) legal matters, including any litigation to which CPEP is a party, (iv) financial and accounting matters, including risk management policies and specific risk management transactions, and (v) general and administrative matters affecting CPEP, including the approval of the annual budget of CPEP's general and administrative expenses (not related to any specific Project) and employment and employee matters.

(g) COMMITTEE VOTING PROCEDURES. Unless otherwise provided in the Bylaws, voting on committees established by the Board shall be by a majority vote of the committee members, with each member being entitled to cast one vote. Unless otherwise provided in the Gas Supply Contracts, voting on Project Management Committees shall be by a majority vote of the representatives of the Project Participants, with each such representative being entitled to cast one vote; *provided that*, the representative of any Project Participant may call for a Weighted Vote on any matter before the Project Management Committee, in which case the decision on the matter shall require a majority of the *per capita* votes and a majority of the Weighted Votes. The Gas Supply Contracts for any Project may (i) set forth a revised definition of Weighted Vote from the one contained in this Agreement, which shall apply to that Project only and (ii) provide that the voting rights on the Project Management Committee of any Project Participant may be suspended upon (and during the continuation of) a default by such Project Participant under such Gas Supply Contract. In the event that a Project Management Committee is unable to reach a decision on any matter, the matter shall be referred to the Board for resolution.

(h) EXECUTIVE DIRECTOR. The Board may appoint and employ an executive director and may contract for management and administrative services.

Section 7. Allocation and Collection of Costs; Annual Budget; Issuance of Bonds.

(a) ALLOCATION AND COLLECTION OF COSTS. CPEP shall maintain complete and accurate books and records of all of its costs and expenses, which shall be classified as either A&G Costs or Project Costs. A&G Costs shall be allocated to the Members on a *per capita* basis and shall be billed to the Members not more frequently than monthly. Project Costs of each Project shall be allocated solely to the Members and Project Participants participating in that Project pursuant to the Gas Supply Contracts for that Project. CPEP may finance the costs of Projects by the issuance of its Bonds.

(b) ANNUAL BUDGET. CPEP shall prepare an annual budget of A&G Costs and shall prepare a separate annual budget of Project Costs for each Project pursuant to the Gas Supply Contracts for that Project. The annual budget of A&G Costs and the annual budgets of Project Costs shall be consolidated into a comprehensive budget that reflects all of CPEP's operations and Projects. The financial records and activities of CPEP shall be audited by an independent certified public accountant at the conclusion of each fiscal year. CPEP shall make and file such financial reports as shall be required by law. CPEP may from time to time adopt policies governing its financial activities and establish reasonable reserves pursuant to the procedures set forth in the Gas Supply Contracts.

(c) ISSUANCE OF BONDS BY CPEP. Bonds may be issued in one or more series from time to time by CPEP to finance the costs of one or more Projects. All such Bonds shall be special obligations of CPEP, payable solely from and secured solely by a pledge of all or any designated part of CPEP's revenues derived under the Gas Supply Contracts or under other contractual arrangements with respect to the Program or any Project, including proceeds of the Bonds until disbursed, investment earnings and all revenues, funds and property acquired with such proceeds and other assets pledged securing the Bonds, which shall be pledged to be set aside as a special fund or funds for that purpose.

Section 8. Projects; Project Participants.

(a) PROJECTS. Each Project shall be established by resolution adopted by the Board upon the request of two or more Project Participants, at least one of which must be a Member. Each Member may elect to participate in each Project, but no Member shall be required to participate in any Project. CPEP shall prepare separate Gas Supply Contracts approved by the Board for each Project and shall enter into a separate Gas Supply Contract with each Project Participant that has elected to participate in such Project. The Gas Supply Contracts shall provide for the sale of the output, capacity or service of the Project to the Project Participants on such terms as will produce sufficient revenue to enable CPEP to pay timely all Project Costs. The Gas Supply Contracts for each Project shall contain such provisions with respect to the termination of such Project as are necessary or appropriate and for the disposition of all property comprising or related to such Project upon such termination.

(b) PROJECT PARTICIPANTS. Any Public Agency that is empowered by the laws of the State of its organization or existence to engage in the acts and activities of the Members relating to a particular Project may become a Project Participant in that Project pursuant to a Gas Supply

Contract with CPEP. Project Participants shall not be Members of CPEP under this Agreement and shall not appoint a Director, but shall be represented on a Project Management Committee.

A Public Agency may become a Project Participant upon satisfaction of the following conditions:

- (i) Such Public Agency is a Public Agency within the meaning of the Act;
- (ii) A Gas Supply Contract for a Project shall be duly authorized and approved by appropriate action of the governing body of such Public Agency and the appropriate officers of such Public Agency shall duly execute such Gas Supply Contract;
- (iii) Such Public Agency is approved and accepted as a Project Participant by the affirmative vote of at least 75% of the total number of Directors on the Board; and
- (iv) Such Public Agency delivers to CPEP such certificates and opinions of legal counsel as may be requested by CPEP with respect to the matters covered by clauses (i) and (ii) above and with respect to all other required filings, submittals, approvals, consents and permits that may be required by applicable law prior to the effectiveness of the Gas Supply Contract referred to in (ii) above.

The Board may require each Project Participant to pay a portion of CPEP's A&G Costs.

Section 9. Limitations on Liability. The obligations of the Members to make payments to CPEP under this Agreement are special and limited obligations of the Members payable solely from their applicable enterprise funds, are not general obligations of the Members and shall not constitute an obligation, indebtedness or liability of any of the Members or Project Participants within the meaning of any constitutional or statutory provision or limitation or otherwise. Bonds issued by CPEP shall not constitute an indebtedness or liability of any of the Members or Project Participants, whether within the meaning of any constitutional or statutory provision or limitation or otherwise. None of the officers, officials or employees of the Members, or their governing bodies, or any members thereof and none of the Directors, officers and employees of CPEP, shall be subject to or in any other way liable for any debt or contract entered into or any obligation or liability incurred by CPEP pursuant to this Agreement, the Program or any Project.

Section 10. Term and Termination; Withdrawal and Removal of Members.

(a) This Agreement shall be effective from and after the Effective Date and shall continue in full force and effect until such time as all of the Members elect to terminate this Agreement. The Members may, by resolutions adopted by their respective governing bodies, elect to terminate this Agreement at any time, but only if:

- (i) no Gas Supply Contract is then in effect between CPEP and any of the Members,
- (ii) no services are then being provided by CPEP to any of the Members, and

(iii) no Bonds, contracts or other obligations of CPEP are then outstanding or in effect that will not be fully paid, discharged or performed prior to the effective date of the termination of this Agreement.

(b) Upon the termination of this Agreement, the affairs of CPEP shall be wound up, its assets liquidated and its obligations discharged. Any funds or assets of CPEP not distributed or allocated in accordance with the provisions of the Gas Supply Contracts shall be distributed to those Public Agencies that are the Members of CPEP at the time of such termination. Distribution of any such remaining funds or assets shall be on a per capita basis to the existing Members provided, however, the Members shall have the right at any time to agree unanimously on any other method of partial or complete distribution.

(c) Any Member may withdraw from this Agreement and terminate its membership in CPEP by providing not less than 60 days' written notice of such withdrawal to CPEP, if all of the following conditions are met:

(i) no Gas Supply Contract between the Member and CPEP is then in effect and the Member is not a Project Participant in any Project; and

(ii) the Member is not at that time in default of any of its obligations under this Agreement or any agreement or contract with CPEP.

(d) Any Member may be removed as a party to the Agreement and its membership in CPEP terminated, with or without cause, upon the adoption of a resolution to that effect by the affirmative vote of all Directors appointed by the other Members and 60 days' written notice to such Member; provided, however, that such removal and termination shall not affect in any way (i) any Gas Supply Agreement then in effect between CPEP and such Member and (ii) such Member's representation and voting rights on any Project Management Committee.

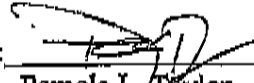
Section 11. Immunities. The privileges and immunities enjoyed by the Members of CPEP by reason of their governmental and public status shall inure to CPEP and its Directors.


Section 12. Applicable Law. This Agreement is made under and shall be subject to and construed in accordance with the laws of the State of Nebraska, particularly the Act. The state and federal courts located in Lancaster County, Nebraska are the agreed to jurisdiction and venue for any disputes arising from or related to this Agreement.

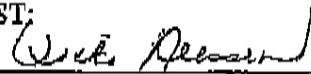
Section 13. Amendments. This Agreement may be amended only by a written instrument, specifically denominated as an amendment to this Agreement, duly approved and executed by each of the Members, which amendment shall be effective only after execution by all Members.

IN WITNESS WHEREOF, the Members have each caused this Agreement to be executed as of the date first written above.

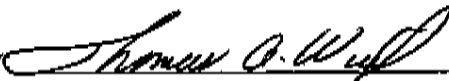
MUNICIPAL GAS UTILITY OF THE CITY OF CEDAR FALLS, IOWA

By: 
Pamela L. Taylor
Title: Chair, Board of Trustees
Date: August 9, 2006

By: 
Vilas L. Morris
Title: Secretary, Board of Trustees
Date: August 9, 2006

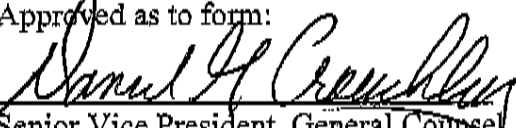
ATTEST:
By: 

METROPOLITAN UTILITIES DISTRICT OF OMAHA, NEBRASKA

By: 
Thomas A Wurtz, President

Date: August 11, 2006

ATTEST:
By: 

Approved as to form:

Senior Vice President, General Counsel