

Gordon Anderson moved the following resolution:

RESOLUTION NO. 287

**RESOLUTION ADOPTING A JOINT LEASE AGREEMENT BETWEEN
OSAGE MUNICIPAL UTILITIES ELECTRIC DEPARTMENT AND
COMMUNICATIONS DEPARTMENT**

WHEREAS, the Electric Utility of Osage Municipal Utilities determined the need to install a "communications distribution system" for the use and support of the electric functions of the electric utility system, and

WHEREAS, the Electric Utility has also determined that it is neither efficient nor economically practical to construct such a system solely for the use of the electric utility and its functions, and

WHEREAS, the Communications Utility has also determined that it is in its best interest not to build a separate "communications distribution system" for its functions.

NOW THEREFORE be it resolved by the Osage Municipal Utilities Board of Trustees that the "communications distribution system" shall remain the sole property of the Electric Utility and the utility will enter into a joint usage agreement with the Communications Utility. The actual lease amount will be determined from the audited 2002 financial statements. Annually the board will review the communications allocation percentages of the system.

Adriane McKinley seconded the motion and upon roll call the following vote was recorded:

AYES:	Anderson, Swenson, McKinley
NAYS:	None

Whereupon the chairman declared the resolution duly adopted.

12/20/02

JOINT USE AGREEMENT FOR USE OF COMMUNICATIONS FACILITIES UNDER IOWA CODE CHAPTER 28E

Be it remembered that for the mutual promises, covenants and considerations herein contained and wishing to properly to provide for and to account for the operational costs and expenses of the operation of the communications system that the Electric Utility and Communications Utility, both municipal utilities of Osage Municipal Utilities, have entered into the following agreement, to wit:

1. The Electric Utility of Osage Municipal Utility has heretofore determined the need to install a "communications distribution system" for the use and support of the electric functions of the electric utility system. The electric Utility has also determined that it is neither efficient nor economically practical to construct such a system solely for the use of the electric utility and its functions. The Communications Utility of the Osage Municipal Utilities has also determined that it is in its best interest not to build a separate "communications distribution system" for its functions and has found it to be in the public interest to enter into a joint use agreement with the Electric Utility.
2. The above mentioned "communications distribution system" is and shall remain the sole property of the Electric Utility. The Communications Utility is granted the right to use the "communications distribution system" more particularly described as follows:

The "communications distribution system" is made up of all equipment beginning at the point at which the fiber exits the communications control room to the point of termination of the cable at the customer's premises including the termination equipment. Such system also includes all electric communications distribution property in the electric service territory.

3. The Communications Utility is also granted the right to use at cost the other facilities not part of the cable distribution system.
4. On or before the last day of December of each year commencing December 31, 2002 the Communications Utility will pay the Electric Utility the sum as calculated pursuant to "Attachment #1", hereto. The first payment of the sum thus determined shall be due on December 31, 2005 for use of the items described in paragraphs two and three hereof.

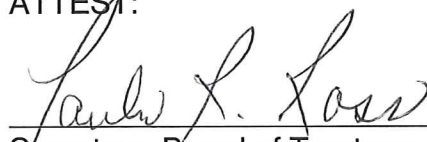
5. The term of this agreement shall be thirty years commencing on January 1, 2003.
6. In addition to all of the bandwidth of the present "communications distribution system" now being used by the Electric Utility, all dark fiber, unused bandwidth and any other equipment associated with the "communications distribution system" is reserved and dedicated for the future use of the Electric Utility. The Communications Utility shall use only those portions of the system or bandwidth not presently used by the Electric Utility or not presently reserved for its use.
7. In addition, all parts, bandwidth and control of the Electric Utility's "communication distribution system" will be managed by the Osage Municipal Utilities Board of Trustees. Future determinations as to the availability bandwidth and "present" market value will be made by the Electric Board of Trustees. The arrangements and terms of this agreement are based upon present market value and economic conditions in regard to the joint use of the "communications distribution system" by the electric and communications utilities.
8. It is the obligation of the Communication Utility to comply with all property tax filing requirements imposed under Iowa Code chapter 433 (2000).
9. The Communications Utility shall reimburse the Electric Utility for the cost of any supplies provided by the Electric Utility on a quarterly basis at least.
10. The Communications Utility may from time to time use equipment, personnel or services of the Electric Utility for maintenance or other communications purposes. The Communication Utility shall reimburse the Electric Utility for the cost of such use of equipment, personnel or services on at least a quarterly basis.
11. The recitations contained herein are part of this agreement.
12. The parties' shall not undertake any joint financing under this agreement.
13. This agreement shall be administered by the General Manager of the Electric Utility.
14. No separate legal entity is created by this agreement.

15. Any disputes arising under this agreement will be resolved by the Board of Trustees of the entities.
16. Any property acquired for the joint purposes of this agreement shall be held by the Electric Utility.
17. This agreement does not create, and shall not be construed as creating, a combined utility.
18. This is the entire agreement of the parties. All prior agreements and understandings are void. However, the parties are not precluded from making additional or separate agreements concerning the subject matter of this agreement.
19. This agreement may be amended at any time.

PASSED AND APPROVED this 20TH Day of December, 2002.


Chairman, Board of Trustees

ATTEST:


Secretary, Board of Trustees

