

ADDENDUM TO WATER SUPPLY CONTRACT

This Addendum is made and entered this 9th day of April, 2013, by and between the City of Lawton, Oklahoma, a municipal corporation organized and existing under the laws of the State of Oklahoma, ("City") and Public Service Company of Oklahoma, a Delaware Corporation, with its principal office and place of business in Tulsa, Oklahoma ("PSO") (collectively referred to as "the Parties")

WHEREAS, the Parties have previously executed a "Water Contract" dated February 22, 1972 with an expiration date of December 31, 2022, by which PSO agreed to purchase and City agreed to sell certain quantities of City's effluent for the use by PSO as makeup water for PSO's Comanche Reservoir upon the terms and conditions specified in the Contract.

WHEREAS, PSO proposes to replace the existing pumping station and pipeline with a new lift station and pipeline to improve the operation and maintenance of the system that is used to convey effluent to the Comanche Reservoir.

WHEREAS, the Parties agree that the proposed lift station and pipeline will fall outside the bounds of the easement granted under the Contract and therefore a new easement must be approved by the Lawton City Council.

WHEREAS, the Parties agree that the Contract should be amended by this Addendum to clarify the roles and responsibilities under the Contract with respect to the new easement and the construction, maintenance and operation of the new lift station and pipeline.

WITNESSETH:

Notwithstanding any term or provision to the contrary in the Contract executed on February 22, 1972, by and between the City and PSO concerning the purchase, sale and delivery of City effluent to PSO, the Parties hereby further promise, covenant and agree that the following shall be included in the Contract and be in full force and effect upon the execution hereof.

1. PSO shall at its own expense design and build a new lift station, pipeline and associated equipment to convey effluent from just upstream of City's Outfall 001 to PSO's Comanche Reservoir including the control, metering and check valves.
2. PSO shall consult with City over the design and location of the new lift station and pipeline. PSO and City shall reasonably cooperate with each other in the arranging

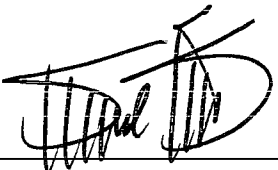
for and obtaining all required City, governmental and regulatory approvals, inspections, and permits necessary for PSO to construct and operate the new facilities.

3. City shall grant PSO an easement including access for that portion of the lift station and pipeline that runs on, over, under and across the City's real property for the construction, operation and maintenance of the lift station and pipeline.
4. PSO will hold harmless, defend and indemnify the City and its elected or appointed officials and employees from:
 - a. All claims, losses, or damages asserted by any persons, including governmental entities, which arise from or relate to PSO's compliance with all applicable laws, regulations, ordinances and other mandates of any governmental authority having jurisdiction over any matter that is the subject of or that implements the obligations of PSO under the Contract.
 - b. The costs of all fines, sanctions, remedial action or other consequences which arise from or relate to noncompliance with the construction permit issued by ODEQ required to construct the new facilities and the existing OPDES permit and any future renewals and amendments issued by ODEQ to the City that will govern the operation of the new facilities, to the extent such costs are attributable to PSO's construction and operation of the new facilities, and shall pay such costs within the time period to achieve compliance mandated by any governmental authority having jurisdiction over the violation(s) including any extensions to such time periods.
 - c. PSO's use or occupancy of the pipeline easement or other real or personal property owned by the City and shall pay City's related attorney fees, costs and expenses; provided , however, that PSO shall have no obligation to hold harmless, defend and indemnify City to the extent that a claim is (i) caused solely by the negligence, reckless or intentional acts of the City, (ii) arises solely out of the City's performance or non-performance of its obligations under the terms of the Contract or City's compliance or noncompliance with all applicable laws, regulations, ordinances and other mandates of any governmental authority having jurisdiction over any matter that is the subject of or that implements the obligations under the Contract.
5. PSO will maintain at its sole expense during the term of the Contract the following insurance coverages:

- a. Worker's Compensation and Employers Liability Insurance as required by applicable law, or if PSO is a legally permitted and qualified self-insurer in the State in which work is performed, it may furnish proof that it is a qualified self-insurer in lieu of submitting proof of insurance.
 - b. Comprehensive or Commercial General Liability (Bodily Injury and Property Damage), including liability insurance on the pump station, pipeline and associated equipment, all motor vehicles used by PSO with limits of not less than Ten Million Dollars (\$10,000,000) (or higher limits as may be required by law) for all liability arising out of damage to or destruction of property, including loss of use, in any one occurrence, and which includes the following supplementary coverages (i) contractual liability to cover liability assumed under this Contract; (ii) Product and Completed Operations Liability Insurance; (iii) Broad Form Property Damage Liability Insurance. The Comprehensive or Commercial General Liability Policies providing for such insurance shall contain a waiver of subrogation against the City, shall be primary and non contributory, and shall provide that the insurer shall provide the City with at least thirty (30) days written notice prior to the effective date of any cancellation or material change of such policies. The limits of the above insurance coverages may be satisfied with a combination of primary and excess policies; and
 - c. Commercial Automotive Liability with a limit for bodily injury and property damage of not less than \$1,000,000 for each accident.
 - d. The limits of the above insurance coverages may be satisfied with a combination of primary and excess policies.
6. PSO will operate, monitor and maintain these structures in a manner so as to minimize leaks or malfunctions. If required by applicable law, PSO will promptly report such occurrences to the ODEQ with a copy to the City.
7. City will provide effluent to the new facilities of the quality required by the City's existing OPDES permit and as such permit may be renewed and/or amended; provided, however, PSO will pay all costs arising from or relating to requirements imposed upon the City by renewal and/or amendment of its existing OPDES permit to the extent such costs are attributable to PSO's operation of the new facilities and necessary for the City to maintain compliance with such renewed and/or amended permit. PSO shall pay such costs within the time period to achieve compliance mandated by any governmental authority having jurisdiction over the mandated compliance including any extensions to such time periods.

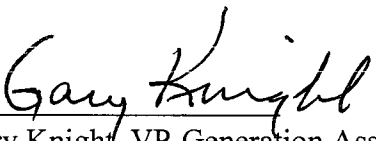
IN WITNESS WHEREOF, the Parties have caused this Addendum to be executed to be effective as of the date first above written.

The City of Lawton, Oklahoma

By: 
Fred L. Fitch, Mayor

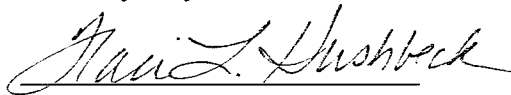
Date: April 9, 2013

Public Service Company of Oklahoma

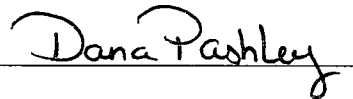
By: 
Gary Knight, VP-Generation Assets PSO

Date: 3 Apr 13

Attest by City Clerk:



Attest by:



Approved as to Form and Legality:

