

KENTUCKY-AMERICAN WATER COMPANY
CASE NO. 2008-00427
ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

Witness: Michael A. Miller

51. With regard to all sources of rental income, please provide the following information:
- a. Current lease or rental agreement.
 - b. Actual rental income booked in 2005, 2006, 2007 and the 12-month period ended 11/30/08.
 - c. Equivalent rental income included in the forecasted test period. In addition, provide the basis for this rental income estimate.

Response:

- a. See attached.
- b. 2005 \$7,303
2006 \$114,161
2007 \$111,228
Thru Nov 2008 \$98,738
- c. Forecasted \$94,020
See attached.

For the electronic versions, refer to [KAW_R_AGDR1#51_122308_Part1.pdf](#)
[KAW_R_AGDR1#51_122308_Part2.pdf](#)
[KAW_R_AGDR1#51_122308_Part3.pdf](#)

CONTRACT APPROVAL FORM

2008.KTK.057

Section I: General Contract Information

CHECK THIS BOX IF THIS IS AN AMERICAN WATER CONTRACT APPROVED FOR STANDARD USE BY THE AMERICAN WATER LAW AND FINANCE DEPARTMENTS (NO CHANGES MADE)

1) Contract Name*: KU Tank Lease

2) Contract Number: _____

3a) Contract Owner* Nick O. Rowe

Phone number*231-6333

3b) Contract Owner taking responsibility after the contract is signed (if different than original Contract Owner):

Dillard Griffin

Phone number 268-6340

4) Secondary contact name and phone number _____

5) Physical location of document(s) (office location and department name)*:

KAW Offices, Legal Dept.

6) Name of the American Water company entering into the contract*: KAW

7) Other company or companies signing the contract*: Kentucky Utilities

8) Contract description*: Lease of space on Owenton water storage tank

9) Relationship to other contracts (amendment, change order with new terms, etc.)*: N/A

10a) Estimated Lifetime

Contract Payments*: \$-0-

10b) Estimated Lifetime

Contract Receipts* \$38,400

Estimated Lifetime Contract Payments should be expressed in gross

11) Effective Date*: 6 / 1 / 2008

12) Renewal terms* (check one): Perpetual unless cancelled Annual automatic renewal unless cancelled
 Monthly automatic renewal unless cancelled Not renewable
 Renewable with prior notice (notice date: ____/____/____)
 Other (describe on item 15)

13) Termination Date*: 5 / 31 / 2010

14) Termination provisions* (check all that apply): At-will by either party At-will by AW only
 At-will by other party only For cause by either party
 For cause by AW For cause by other party
 No termination provisions in contract

15) Miscellaneous Notes: Automatically renewed for 1 year term unless cancelled

CONTRACT APPROVAL FORM

16) Contract Type* (check only one box):

NOTE: See Appendix 1 for a description of each contract type

Contract types marked with an "F" require the prior input and approval of the Finance Department (regardless of total value)

Contract types marked with an "F\$" require the prior input and approval of the Finance Department only if the total value exceeds \$100,000

Contract types marked with a "P" require the prior input and approval of the Supply Chain Department
 See Instructions for description of approval process

- | | |
|---|---|
| <input type="checkbox"/> (F)(P) Benefit/Pension Agreement | <input type="checkbox"/> (F) Joint Venture Agreement |
| <input type="checkbox"/> Billing/Shut-Off Agreement | <input type="checkbox"/> Labor Agreement |
| <input type="checkbox"/> (F) Debt/Securities Agreement | <input checked="" type="checkbox"/> (F) (P) Lease Agreement |
| <input type="checkbox"/> Confidentiality Agreement | <input type="checkbox"/> (P) License Agreement |
| <input type="checkbox"/> (F\$) Construction Agreement | <input type="checkbox"/> (F) Merger/Acquisition/Disposition Agreement |
| <input type="checkbox"/> Developer Service/Main Extension Agreement | <input type="checkbox"/> (F) Miscellaneous Agreement |
| <input type="checkbox"/> (F\$) Easement Agreement | <input type="checkbox"/> (F) Operating Agreement |
| <input type="checkbox"/> (F) Employment Agreement | <input type="checkbox"/> (F\$)(P) Purchase/Sale Agreement |
| <input type="checkbox"/> (F) Environmental Agreement | <input type="checkbox"/> Rate Agreement |
| <input type="checkbox"/> (F) Financial Agreement | <input type="checkbox"/> (F\$)(P**) Services Agreement |
| <input type="checkbox"/> Fire Protection Agreement | <input type="checkbox"/> (F) Settlement Agreement |
| <input type="checkbox"/> (F) Franchise Agreement | <input type="checkbox"/> (P) Supply Agreement |
| | <input type="checkbox"/> (F) Water Supply/Wastewater Agreement |

** - Only when the company is receiving the services

17) If the contract contains a non-cancellable payment commitment by AW in the current or future years (such as a long-term take-or-pay supply agreement or lease), fill out the following schedule*:

Year	Commitment Amount (in \$'s)
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	

Year	Commitment Amount (in \$'s)
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023 and beyond	

*Mandatory information

CONTRACT APPROVAL FORM

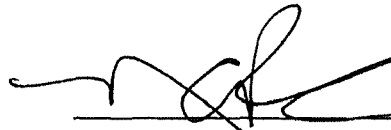
Section II: Approvals

Business Unit Review:

CONTRACT OWNER*

Nick O. Rowe

(Name)



(Signature)

(Date)

By checking this box, Contract Owner represents he/she has reviewed the Delegation of Authority and is authorized to sign the contract:

CONTRACT SIGNER (only if Contract Owner does not have authority to sign contract pursuant to the DOA; see instructions)

(Name)

(Signature)

(Date)


Comment (use back if necessary)

Law Department Review by:

ATTORNEY*

A.W. Turner, Jr.

(Name)

 7-7-08

(Signature)

(Date)

Comment (use back if necessary)

Finance Department Review by:

Gary Munsch

(Name)

(Signature)

(Date)

Check box if Finance Department review is not required:

Comment (use back if necessary)

Supply Chain Department Review by:

William Hardy

(Name)

(Signature)

(Date)

Check box if Supply Chain Department review is not required:

Comment (use back if necessary)

CONTRACT APPROVAL FORM

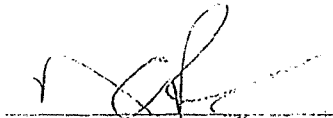
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Business Unit Review:

CONTRACT OWNER*

Nick O. Rowe

(Name)



(Signature)

(Date)

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CONTRACT SIGNER (only if Contract Owner does not have authority to sign contract pursuant to the DOA; see instructions)

(Name)

(Signature)

(Date)

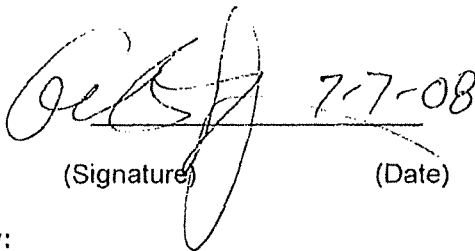
Comment (use back if necessary)

Law Department Review by:

ATTORNEY*

A.W. Turner, Jr.

(Name)



(Signature)

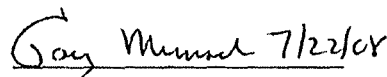
7-7-08
(Date)

Comment (use back if necessary)

Finance Department Review by:

Gary Munsch

(Name)



(Signature)

(Date)

Check box if Finance Department review is not required:

Comment (use back if necessary)

Supply Chain Department Review by:

William Hardy

(Name)

(Signature)

(Date)

Check box if Supply Chain Department review is not required:

Comment (use back if necessary)

ATTACHMENT A – COMMITMENT REPORTING & FINANCIAL REVIEW OF CONTRACTS PRACTICE
Finance Review Form

1) Contract Name: KV Tank Lease 2) Contract Number: _____

3a) Contract Owner Nick O. Rowe Phone number 859 231 6333

3b) Contract Owner taking responsibility after the contract is signed (if different than original Contract Owner): Dillard Griffin Phone number 859 268 6340

4) Secondary contact name and phone number _____

5) Physical location of document(s) (office location and department name): _____

6) AW legal entity signing the contract: Kentucky American Water

7) Other party or parties signing the contract: Kentucky Utilities

	<u>YES</u>	<u>NO</u>
Existence of Debt or Other Financial Covenant	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Existence of Off-Balance Sheet Financing (FIN 46)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Existence of Derivative or Option (FAS 133)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Existence of Financial Guarantee / Letter of Credit (FIN 45)	<input type="checkbox"/>	<input checked="" type="checkbox"/> If yes, who is the benefactor? _____
Existence of Asset Retirement Obligation (FAS 143)	<input type="checkbox"/>	<input checked="" type="checkbox"/> If yes, what is the estimated obligation? _____
Existence of Future Purchase Commitment (FR 61)	<input type="checkbox"/>	<input checked="" type="checkbox"/> If yes, please complete schedule below
Existence of a Lease (FAS 13)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes, are we the <u>(lessor)</u> or lessee (circle one)? Please complete schedule below		
If yes, is it capital or operating (circle one)?		
Does the contract represent a significant variable (economic) interest requiring additional analysis (Re: Fin 46)	<input type="checkbox"/>	<input checked="" type="checkbox"/> If yes, please contact Corporate Accounting
Does the contract represent a related party (ie., relative, affiliate, subsidiary) transaction	<input type="checkbox"/>	<input checked="" type="checkbox"/> If yes, describe the related party
Is this a material contract entered into other than in the ordinary course of business that may require disclosure on SEC Form 8-K	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes, please contact a representative in the Law and Corporate Accounting Departments		
Validate accounting is set-up and transferred from the contract owner to the appropriate department and built into the budget	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Confirm Financial Planning & Analysis is aware of contract terms and conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Relationship to other contracts: _____

Miscellaneous Notes: _____

If there is a future obligation, purchase commitment or lease, complete the following schedule:

Year	Commitment Amount (in \$'s)	Year	Sub-lease Income/ Receipt Amount (in \$'s)
2007		2007	
2008	11,200	2008	
2009	14,200	2009	
2010	8,200	2010	
2011		2011	
2012		2012	
2013		2013	
2014 and beyond		2014 and beyond	

Signature: Gary Murrell

Date: 7/22/08

Section of Authority

Comment (use back if necessary)

Contract #

1

Name

Signature

Date

By checking this box, you are certifying that you are an authorized representative of the state of Kansas and that you are authorized to sign this contract.

CONTRACT SIGNER (only if Contract Owner does not have authority to sign contract pursuant to the DOA; see instructions)

(Name)

(Signature)

(Date)

Law Department Review by

Comment (use back if necessary)

ATTORNEY*

A.W. Turner, Jr.



(Name)

(Signature)

(Date)

Finance Department Review by:

Comment (use back if necessary)

Gary Munsch

(Name)

(Signature)

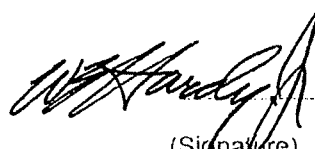
(Date)

Check box if Finance Department review is not required

Supply Chain Department Review by:

Comment (use back if necessary)

William Hardy



7/30/08

(Name)

(Signature)

(Date)

Check box if Supply Chain Department review is not required:

Record & Return to:
E.ON U.S. LLC
Attn: Jim Dimas, Senior Corporate Attorney
220 West Main Street
Louisville, Kentucky 40202

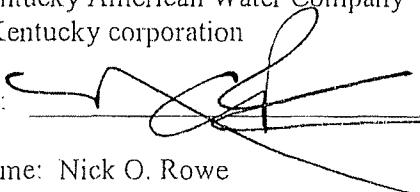
Memorandum of Lease

This Memorandum evidences that a lease was made and entered into by written Telecommunications Site Lease Agreement dated _____, 2008 ("Agreement"), between Kentucky American Water Company, a Kentucky corporation (the "Owner"), Lessor (Grantor for purposes of indexing), with an address at 2300 Richmond Road, Lexington, KY 40502, and Kentucky Utilities Company, a Kentucky corporation ("Grantee"), Lessee, (Grantee for purposes of indexing), with an office at One Quality Street, Lexington, Kentucky 40507, involving property owned by the Lessor.


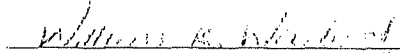
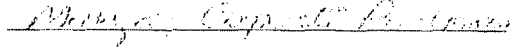
Such Agreement provides, in part, that Lessor leases to Lessee space on one of the water tanks ("Site") located at East Perry Street, city of Owenton, Owen County, Kentucky, within the property of Lessor, which Site is described in Exhibit A, attached hereto, for a term of two (2) years, commencing on June 1, 2008, which term is subject to up to one (1) additional extended term of one (1) year.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the day and year first above written.

"LESSOR/GRANTOR",
Kentucky American Water Company
a Kentucky corporation

By: 
Name: Nick O. Rowe
Title: President

"LESSEE"/"GRANTEE",
Kentucky Utilities Company
a Kentucky corporation

By: 
Name: 
Title: 

JD

NOTARIZATION OF GRANTOR'S SIGNATURE:

STATE OF KENTUCKY
COUNTY OF FAYETTE, to wit:

The foregoing Memorandum of Lease was acknowledged before me this 7th day of July, 2008, by Nick O. Rowe, as President of Kentucky American Water Company, a Kentucky corporation, on behalf of the corporation, in my jurisdiction aforesaid.

Laurie G. Magee
Notary Public

My Commission expires: August 14, 2008.

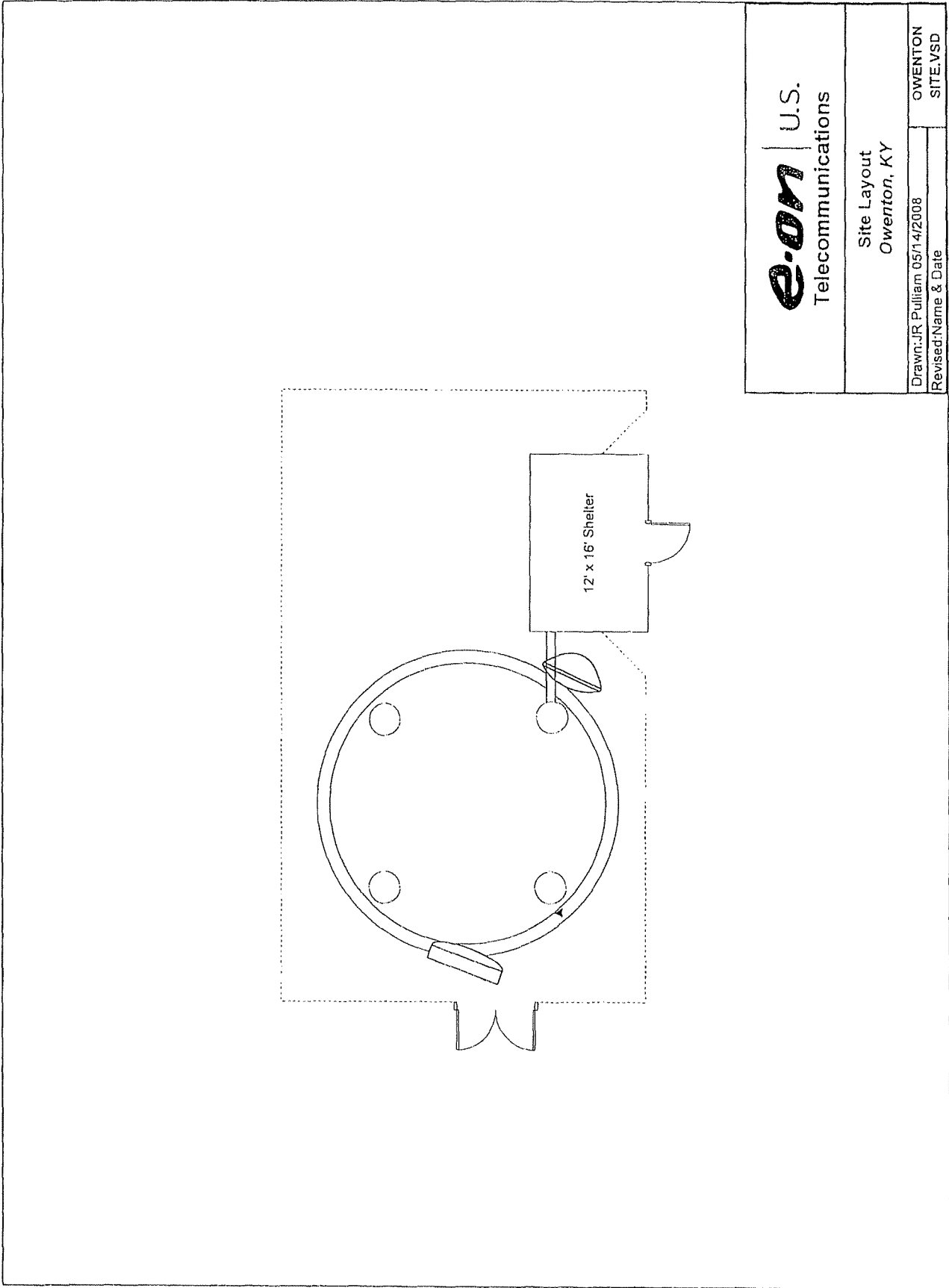
NOTARIZATION OF GRANTEE'S SIGNATURE:

STATE OF KENTUCKY
COUNTY OF Jefferson, to wit:

The foregoing Memorandum of Lease was acknowledged before me this 25 day of June, 2008, by William Woodard, as Manager of Corp. Purchasing of Kentucky Utilities Company, a Kentucky corporation, in my jurisdiction aforesaid.

Betty G. Birby
Notary Public

My Commission expires: June 21, 2010

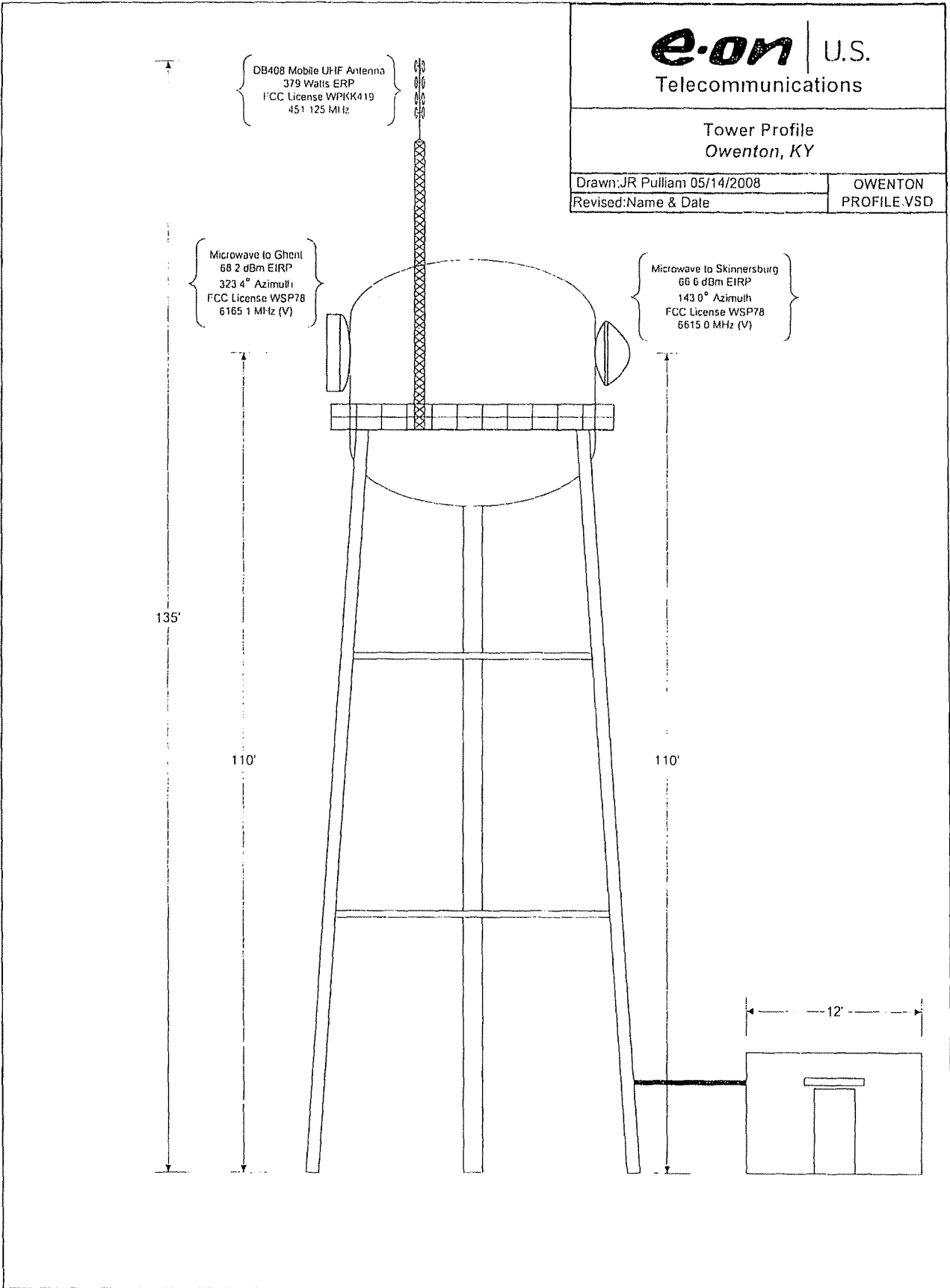


e-on | U.S.
Telecommunications

Site Layout
Owenton, KY

Drawn: JR. Pulliam 05/14/2008
Revised: Name & Date

OWENTON
SITE.VSD



TELECOMMUNICATIONS SITE LEASE

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TELECOMMUNICATIONS SITE LEASE

THIS TELECOMMUNICATIONS SITE LEASE ("**Lease**") made as of this ___ day of _____ 2008, by and between Kentucky American Water Company, a Kentucky corporation, with its principal office located at 2300 Richmond Road, Lexington, Kentucky 40502 ("**Lessor**"),

and

Kentucky Utilities Company, a Kentucky corporation, with its principal office located at One Quality Street, Lexington, Kentucky 40507 ("**Lessee**");

WITNESSETH:

THAT, WHEREAS, Lessor owns, or has leasehold or other real property interest rights to the possession and use of, that certain lot or parcel of land ("**Land**"), together with all buildings and structures or other improvements thereon, if any ("**Improvements**"), as more fully described on the attached Exhibit 1, said Land and Improvements being hereinafter collectively referred to as the "**Property**"; and

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor certain portions of the Property, as more fully described herein, for telecommunications purposes (hereinafter defined);

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Option.** (intentionally omitted)
2. **Leased Premises.** Upon proper and timely exercise of this Lease, Lessor will lease to Lessee and Lessee will lease from Lessor, on the following terms and conditions, that certain portion or portions of the Property as described in Exhibit 2, including portions of the surface of the Land and space on one or more Improvements (the "**Leased Premises**") and as depicted on

the site layout drawings attached hereto as Exhibit 2A. If the Property is held by Lessor pursuant to a ground lease, prime lease or other similar document which is not of record, Lessor shall provide a copy of such document to Lessee upon Lessee's request.

3. **Term and Term Extensions.**

(A) The term of this Lease shall be two (2) years ("Initial Term"), commencing on the June 1, 2008 (the "**Commencement Date**").

(B) Lessee shall have the right to extend this Lease for up to one (1) additional year on the same terms and conditions except that the rent shall be increased as provided in Section 4 below; provided that at the end of the Initial Term, Lessee is not then in default (beyond any applicable cure period) of any covenants, terms and conditions of this Lease. **In the absence of any default by Lessee, the one (1) year extended term shall commence automatically at the end of the prior term unless Lessee gives Lessor written notice of Lessee's intention not to extend the term of this Lease at least six (6) months prior to the expiration of the then current term.**

4. **Fees.**

(A) Rent.

(1) The annual rental for the Initial Term is Nineteen Thousand Two Hundred Dollars (\$19,200.00).

(2) The annual rental for the one (1) year extended term shall be in an amount equal to one hundred fifteen percent (115%) of the annual rent for the immediately preceding term.

(3) The annual rental for the first year of the Initial Term (The "First Year Rent") shall be paid upon the execution of this Lease by both parties. Thereafter, the annual rent shall be paid on or before each anniversary of this Lease during the Initial Term or any Extended Terms, in advance and without any deduction, counterclaim or set off and shall be made payable to Lessor at the address set forth on Exhibit 3, or to any other person, firm or place as Lessor may from time to time designate in writing at least thirty (30) days in advance of any rental payment date.

(B) Consultant's Fees. Lessor has retained Tectonic Engineering & Surveying Consultants P.C. as a consultant to provide marketing and consulting engineering services in connection with the leasing of various sites for Telecommunications Purposes (hereinafter defined). Lessee hereby covenants that it shall pay to Lessor and Lessor shall reimburse Tectonic Engineering & Surveying Consultants, P.C. One Thousand Five Hundred Dollars (\$1500.00) for services provided in connection with the Lease Agreement.

(C) Additional Fees. Lessor shall not be required to make any expenditures in connection with this Lease or to make any repairs or improvements to the Leased Premises, other than such routine maintenance and repairs as may be necessary to ensure that the Improvements remain structurally adequate to support the Facilities (hereinafter defined) originally installed thereon. The parties agree that this is a net Lease intended to assure the rent reserved on an absolute net basis. In addition to the Rent reserved above, Lessee hereby covenants that it shall pay to the parties entitled thereto (or shall reimburse Lessor for the payment of) all property taxes, assessments, insurance premiums, maintenance charges, and any other charges, costs and expenses assessed against or pertaining to the Leased Premises and the Facilities (hereinafter defined) that arise, or increase, as a result of this Lease or any activities permitted hereunder, or that may be contemplated under any provisions of this Lease.

(D) Late Charge. Lessee acknowledges that if Lessee fails to deliver to Lessor the Rent payments or additional fees described above when due, that failure will cause Lessor to incur costs not contemplated in this Lease, the exact amount of which will be extremely difficult to ascertain. Those costs include, but are not limited to, processing and personnel costs. Accordingly, except as otherwise provided in Subsection (E) below, if any payment is not received by Lessor when due, Lessee shall pay Lessor a late payment charge equal to ten percent (10%) of the overdue payment. Lessee agrees that this late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of Lessee's late payment. Lessor's acceptance of a late charge shall in no event constitute a waiver by Lessor of Lessee's default for the overdue payment, nor prevent Lessor from exercising any of the other rights or remedies granted Lessor under this Lease, at law, or in equity.

(E) First Year Rent. Notwithstanding the foregoing provisions of Subsection (D) of this Section 4, no late charge shall be assessed nor any interest accrued on the First Year Rent,

unless the First Year Rent remains unpaid (or is less than fully paid) more than fifteen (15) days after Lessee's receipt of a written notice of default. If Lessor has not received full payment of the First Year Rent within fifteen (15) days of Lessee's receipt of a notice of default, a late charge shall then be applied to the overdue payment in accordance with Subsection (D) of this Section 4 and interest shall also accrue on the overdue payment from the original due date thereof until fully paid at a rate of 10% annually. For all installments of rent for all terms of this Lease other than the First Year Rent, a late charge shall be assessed in accordance with Subsection (D) of this Section 4, and Lessor shall have no obligation whatsoever to provide Lessee with any notification, written or otherwise, of such delinquent payment; provided, however, if Lessor provides a notice of default, interest shall commence accruing at a rate of 10% annually as of Lessee's receipt of such notice. Except as provided herein with regard to the First Year Rent, neither the exercise by Lessor of its right to issue a notice of default pursuant to Section 26 of this Lease nor the payment by Lessee of delinquent rent within fifteen (15) days of receipt of a notice of default shall relieve Lessee of its obligation to pay applicable late charges and interest.

5. **Access to Leased Premises; Utilities.**

(A) Lessor hereby grants to Lessee, to the extent it may lawfully do so, permission to make non-exclusive use of such rights of ingress and egress to the Property, if any, as Lessor may possess. In the event Lessor does not possess such rights, I shall obtain them at Lessor's expense.

(B) Lessor acknowledges that in order to operate, maintain and repair or replace the Facilities, Lessee will require access to the Leased Premises on a regular basis during normal working days and times and also on an emergency basis at any time in the event of a service outage or other similar unforeseeable problem with the Facilities. Lessee acknowledges that Lessor's facilities may be both Critical Infrastructure and Public Service Facilities and that Lessor must take appropriate security measures to protect the public, its customers, and its property. "Critical Infrastructure" means public-water systems, including Lessor's, because the Federal Government has declared these systems to be critical infrastructure essential to the continued operation of the government and the nation. "Public Service Facilities" means those facilities that Lessor must maintain to provide retail water and wastewater service to the public, as authorized and regulated by public utility commissions, as part of Lessor's public-service obligation to provide safe and affordable water and wastewater service to the public. The parties agree to cooperate in good faith with each other to satisfy their respective needs and to ensure

compliance by Lessor with all present and future laws and regulations concerning national security or public safety. Additional requirements, restrictions and limitations with regard to Lessee's access to the Leased Premises are set forth in Exhibit 4, attached hereto and incorporated herein. Lessee shall be bound by the requirements, restrictions and limitations set forth in the attached Exhibit 4 and such additional requirements as Lessor may hereafter reasonably request in writing.

(C) Lessor makes no representations as to the availability of electric power and other utility services for use by Lessee at or on the Leased Premises. However, to the extent that electric power and other utility services are currently provided to the Property in sufficient capacities to meet the current and foreseeable needs of all the current users of said services and the projected needs of Lessee, Lessor consents to the extension of any such utility services to the Leased Premises for the use and benefit of Lessee. Lessor hereby further agrees, to the extent it may lawfully do so, to grant or consent to such reasonable utility easements or agreements as may be necessary to permit the delivery of said utility services to the Leased Premises. All utility services used by Lessee shall be obtained in the name of Lessee or Lessee's designee and Lessor shall in no way be responsible for any such utility services or the cost thereof; provided that if Lessee shall obtain water service from Lessor, Lessor and Lessee shall have the same responsibilities to each other with regard to said water service as exists between Lessor and its other water customers. Lessee shall have a separate electric service meter installed on the Leased Premises at its own expense to monitor its use of electricity.

(D) Lessor reserves the right from time to time to alter Lessee's route for pedestrian and vehicular access as well as the route for utility access to the Leased Premises to the extent that it passes on, over and through the Property; provided that access to the Leased Premises is not materially diminished or restricted, however if service is interrupted or the facilities are inoperable as a result of the relocation of the route for utility access, Lessee shall have the right to install a cell-on-wheels ("COW") granted under the provision of paragraph 9. (B).

6. Use of Leased Premises.

(A) Subject to the covenants, terms and conditions hereof, Lessee shall have the right to use the Leased Premises for Telecommunications Purposes, and for no other purposes whatsoever. As used in this Lease, the term "**Telecommunications Purposes**" means the construction, installation, operation, maintenance, repair, replacement, upgrade and removal of

telecommunications fixtures consisting of such antennas, towers, masts, cables, wires and related equipment and appurtenances as are more fully described in Exhibit 5 hereto (the "**Facilities**").

(B) To the extent that any of the Facilities require protection from the elements, Lessee may have exclusive use of the permanent building Lessee has already constructed on the Leased Premises ("**Equipment Shed**") suitable for its needs; provided, however, that the specifications of the Equipment Shed, including its location and the method and techniques for the installation thereof on the Leased Premises shall be subject to the prior review and written approval of Lessor. All cables or wires extending between the Equipment Shed and any Improvements must be buried underground in conduit. No additional ice bridges shall be permitted, excluding the one in place as of the date of this Lease.

(C) The Facilities, and any additional or replacement equipment subsequently installed on the Leased Premises, whether or not fixed or attached to the Leased Premises or any improvements thereon, shall at all times remain the exclusive property of Lessee.

(D) If the existence on the Leased Premises or any of the Facilities present an increased risk of lightning strikes to the Property or the Leased Premises, Lessee shall take all reasonable and appropriate precautionary measures to ground such Facilities or otherwise protect against that risk.

(E) Lessee's use of the Leased Premises for Telecommunications Purposes shall not interfere in any way with the use of the Property or any equipment or device located thereon (or located elsewhere, but which can be shown to be affected by any equipment or device located thereon) by Lessor, or by any Other Tenants (as defined in Article 10) identified in the following list (hereinafter "Current Tenants"):

Kentucky American Water Company

If Lessee's use of the Leased Premises causes, or is suspected of causing, interference, Lessee shall promptly investigate and eliminate such interference at its expense within twenty four (24) hours after receiving notice thereof; provided that the twenty four (24) hour time limit shall not apply to test periods where the source of interference is being determined for purposes of suppression. If Lessee fails or refuses to investigate the interference within said

twenty four (24) hour period, or if Lessee has investigated and confirmed that the interference is related to its Facilities, but has taken no meaningful steps to eliminate the interference within said period, then Lessor or any affected Current Tenant may, but shall not be obligated to, conduct or perform an investigation as to the cause of the interference and take whatever steps may be reasonably necessary to cause the interference to cease. If the interference is not eliminated within the twenty four (24) hour period mentioned above, Lessee agrees to immediately suspend operations at the Leased Premises while any interference problems are studied further and a means found to eliminate them. If no acceptable means to eliminate the interference has been determined and implemented within ten (10) days of the receipt by Lessee of notice of such interference, this Lease may be terminated by either party by giving thirty (30) days written notice to the other party. In no case shall standard maintenance equipment, water pumps and other mechanical equipment, office equipment, computer equipment, radio and telecommunication systems, and other similar equipment, devices, and systems used in connection with the primary businesses operated on the Property from time to time be deemed to interfere with Lessee's use of the Leased Premises. Lessor's sole liability to Lessee for action taken pursuant to this Section 6 shall consist of the value of any repairs made necessary by negligent acts of Lessor. In no event shall Lessor be liable for loss in value of Lessee's Facilities resulting from the depowering or removal of same and which is not the result of Lessor's negligence, or for any consequential or other damages to Lessee.

(F) Lessee covenants, represents and warrants that it will not cause or permit any solid or liquid waste, material or substance that is classified as toxic or hazardous under any federal, state or local law or regulation, to be transported to or from the Leased Premises or to be used, generated or stored on the Leased Premises (except where the use, transportation and storage of such substances is in compliance with applicable law). Lessee further covenants, represents and warrants that it will not contaminate the Property (including the Leased Premises) with any such toxic or hazardous, waste, material or substance. Lessee shall indemnify Lessor, and hold it harmless, from all claims, demands, causes, losses, damages and expenses, including attorneys' fees, arising directly or indirectly from a breach of this covenant. This covenant shall survive and be enforceable and shall continue in full force and effect for the benefit of Lessor and its subsequent transferees, successors and assigns and shall survive the term of this Lease and any renewal periods thereof.

(G) During all terms of this Lease, Lessee shall remain in compliance with all applicable laws and regulations affecting the Leased Premises and Lessee's activities thereon.

7. **Installation, Operation and Maintenance of Facilities.**

(A) Lessor and Lessee agree that time is of the essence regarding performance under this Lease.

(B) Lessee shall maintain all Facilities in proper and safe operating condition and presentable appearance, as determined by Lessor in its reasonable discretion.

(C) Prior review and written approval by Lessor shall also be required for any subsequent changes or additions to the Facilities; provided, however, that any changes or additions to equipment located entirely within the Equipment Shed will not require Lessor's prior approval unless such changes or additions have the potential to cause interference with either (i) access to, and/or use of, the Property by Lessor or Other Tenants (hereinafter defined) or (ii) the operation of any equipment (other than the Facilities) located on the Property. Lessor, or its designated agent, will complete its reviews of the Plans and Specifications and either approve or disapprove the same, in whole or in part, within fifteen (15) business days of their submission. If Lessor or Lessor's agent fails to respond to Lessee within fifteen (15) business days of submission of the Plans and Specifications, they shall be deemed to have been approved as submitted.

(D) Lessee shall not use any methods, techniques or materials in the installation, operation or maintenance of the Facilities that will (i) cause or contribute to any corrosion or other damage to the Property (including all paint or other coatings) or (ii) cause any interference with Lessor's periodic future maintenance of such Property.

(E) The installation and maintenance of the Facilities and any other equipment installed at any time during the term(s) of this Lease shall be performed by qualified and experienced technicians and shall comply with all prudent safety measures, whether or not required by law. In order to ensure proper security of the Property, Lessor shall have the right, but no obligation, to review and approve all of Lessee's agents, employees, contractors and subcontractors and the agents and employees of contractors and subcontractors who may have or be given access to the Property or the Leased Premises. Specific procedures for obtaining security clearances are set forth on the attached Exhibit 6.

(F) All welding, cutting and coating work required for the installation of the Facilities shall conform to the applicable requirements of AWWA Standard D100, as amended, supplemented or superceded from time to time.

(G) All electrical work to be performed on the Leased Premises shall be in accordance with the then applicable National Electric Code and all applicable local codes. All wiring attached to the outside of any Improvements shall be installed in rigid steel conduit or other conduit approved by Lessor.

(H) The coatings and surface preparations used in the repair of existing coatings shall be approved by Lessor. The existing coatings shall be tested for the presence of lead and other hazardous substances, as defined in The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et. seq.* (“CERCLA”) and regulations interpreting said Act. All coatings shall also comply with all requirements under CERCLA. The cost of all abatement and containment procedures shall be borne by Lessee.

(I) All antennas must be identified by a bronze tag fastened securely to its bracket on the Improvements and each transmission line is to be tagged at the point where the conduit enters Lessee’s Equipment Shed. Lessee shall install in a readily visible location on or within the Leased Premises, a sign (approximately two feet by two feet) that shall contain the name of Lessee or its designee and an emergency telephone number. The size, design and location of the sign is subject to Lessor’s prior approval. With the exception of any signage or identification required under the terms of this Lease required by law or as otherwise expressly authorized by Lessor, Lessee shall not place any signage, logos or graphics on the Leased Premises, Facilities or Property.

(J) Lessee shall inspect the Facilities annually, or more frequently as needed, and shall promptly take any remedial actions necessary to correct any deficiencies revealed by such inspections so as to maintain the structural integrity and safety of the Facilities. The duty to take remedial actions shall be in addition to and not in lieu of Lessee’s indemnification obligations contained herein. Within thirty (30) days following each inspection, Lessee shall provide Lessor with a written inspection report detailing any deficiencies found and the remedial actions taken.

(K) If Lessee, its agents, employees, or the Facilities cause damage, directly or indirectly, to the Property or Leased Premises, or to any property of a third party that is situated on the Property, Lessee agrees to repair such damage with reasonable promptness

(commensurate with the nature and severity of the damage and the degree of danger presented) and at no cost to Lessor. If Lessee fails to do so, Lessor or any affected third party shall have the right to repair said damage and invoice Lessee for said costs.

(L.) Unless impracticable or impossible under then existing circumstances, Lessee shall at its sole expense enclose its Equipment Shed and other ground-level Facilities with a security fence, of a type and configuration approved by Lessor and located as shown by the dotted lines on Exhibit 2A

(M) All installation and operation of the Facilities shall comply with all applicable rules and regulations of the Federal Communications Commission, the Federal Aviation Administration, and applicable radio regulations. Lessee shall take no action which shall cause either the Facilities or Improvements to fall out of compliance with any applicable law or regulation. Furthermore, Lessee shall be responsible for fulfilling any obligations which may arise or be imposed upon Lessor as a result of Lessee's actions on or involving the Property or Leased Premises.

(N) Lessor assumes no responsibility for licensing operations or maintenance of the Lessee Facilities.

(O) Lessee acknowledges that its facilities may be located on land that supports Critical Infrastructure or Public Service Facilities. Lessee will install, operate and maintain its facilities so as not to interfere with Lessor's operation and maintenance of Critical Infrastructure and Public Service Facilities, do nothing to jeopardize Lessor's compliance with all present and future laws and regulations concerning national security or public safety, and in the event of a threat to national security or public safety, will fully cooperate to alleviate that threat.

8. **RESERVED**

9. **Removing Improvements from Service.**

(A) It is recognized by the parties that from time to time during the term(s) of this Lease, it may be necessary to remove one or more Improvements from service either to permit repairs, repainting or other maintenance by Lessor or in order to facilitate the installation, maintenance, repair or removal of Facilities by Lessee. If it is necessary for the Facilities to be removed in connection with work to be done on the Property by Lessor, Lessor shall give Lessee

as much notice as reasonably possible, but in any event other than an emergency, not less than ninety (90) days advance written notice of the date by which such Facilities must be removed from the Property. However, if the need to request removal of the Facilities arises due to an emergency or other unforeseeable circumstances that do not permit a minimum ninety (90) day notice, Lessor shall give Lessee as much notice as is practicable under the circumstances and the inability to give a minimum of ninety (90) days notice under those circumstances shall not be deemed a breach of this Lease. The notice shall also advise Lessee of the estimated period of time that the Improvements will be out of service. Upon receiving such notice, Lessee shall promptly remove, secure, relocate, or otherwise protect its Facilities during the entire duration of Lessor's maintenance activities. During the Initial Term of this Lease, Lessor shall promptly reimburse Lessee for all reasonable and necessary costs incurred in removing, securing, relocating, or protecting Lessee's Facilities undertaken at Lessor's request. Thereafter, any and all such costs shall be borne solely by Lessee.

(B) If it is necessary for an Improvement to be removed from service to permit the installation, maintenance, repair or replacement of any of the Facilities mounted thereon or affixed thereto, the time or times when the Improvement is removed from, and subsequently restored to, service will be coordinated between Lessor and Lessee. Lessee hereby acknowledges that Lessor's public service obligations are paramount and these obligations may severely limit Lessor's flexibility in taking an Improvement out of service. All costs of taking an Improvement out of service at Lessee's request, including, but not limited to, the cost to inspect and prepare for removal from service, preserve while out of service, and subsequently restore to service shall be borne by Lessee.

10. **Other Tenants.** Lessor may have heretofore entered into, or may hereafter enter into, a lease agreement with another telecommunications company for rights, similar to those granted herein, to install, operate, maintain, remove and replace an antenna and related equipment on the Property. This Lease does not in any way limit or restrict Lessor's right to enter into future agreements with other tenants, including other providers of telecommunications services, to occupy other portions of the Property, provided that such future agreements contain terms prohibiting any future tenants from causing interference with the operations of any Current Tenants. As used in this Lease, the term "**Other Tenants,**" whether singular or plural, shall mean all tenants of the Property other than Lessee, regardless of whether the agreement with any Other Tenant is dated before or after this Lease.

11. **Taxes.**

(A) Lessee shall timely pay when due all taxes, assessments and other governmental charges that Lessee is legally obligated to pay arising in any way from or as a result of this Lease, Lessee's use of the Leased Premises for Telecommunications Purposes or the presence or operation of the Facilities on the Leased Premises. Lessee shall also be responsible for, and shall promptly reimburse Lessor for the payment of, any taxes, assessments and other governmental charges or any increase therein that Lessor is legally obligated to pay and which arises or increases in any way from or as a result of this Lease, Lessee's use of the Leased Premises for Telecommunication Purposes or the presence or operation of the Facilities on the Leased Premises. Lessee will be entitled to appeal the assessment, to the taxing division office that made said assessment, of any taxes or fees allocated to it under this paragraph. Lessor agrees that it will reasonably cooperate, at Lessee's expense, with Lessee's efforts to prosecute such an appeal. Notwithstanding the foregoing, Lessee shall not be obligated to reimburse Lessor for any income tax payable by Lessor on the rent or other fees received from Lessee.

(B) Lessee and Lessor stipulate that, unless otherwise provided herein, the rental rights herein granted relate to real property.

12. **Insurance.**

(A) At no expense to Lessor, Lessee shall (i) obtain and keep in force during the term of this Lease, and any renewals or extensions hereof, and (ii) require its contractors and subcontractors to obtain and keep in force during the terms of their respective contracts, the following minimum insurance limits and coverages. The insurance coverage limits stated below are minimum coverage requirements, not limitations of liability, and shall not be construed in any way as Lessor's acceptance of the responsibility of the Lessee. Lessor, from time to time during the Initial Term and any Extended Term of this Lease, shall have the right to require the Lessee to increase the following coverages to commercially reasonable levels:

- | | |
|---|---|
| 1. Commercial General Liability: | \$1,000,000 per occurrence
Combined Single Limits
\$1,000,000 General Aggregate
\$1,000,000 Products and Completed
Operations Aggregate |
|---|---|

Occurrence form including Premises and Operations Coverage, Products and Completed Operations, Coverage for independent contractors, Personal Injury Coverage and Blanket Contractual Liability. Contractor's Protective Liability if the

Contractor subcontracts to another all or any portion of the Work. Completed Operations shall be maintained for a period of three (3) years following Final Completion.

2. **Workers Compensation:**

- A. Applicable Federal or State Requirements: Statutory minimum
- B. Employer's Liability: Each Accident \$1,000,000
Policy Limit -- Disease \$1,000,000
Each Employee – Disease \$1,000,000
- C. Voluntary workers compensation insurance covering all employees not subject to the applicable workers compensation act or acts.

3. Automobile Liability (including owned, hired, borrowed and non-ownership liability)

Bodily Injury and Property Damage \$1,000,000 each occurrence
Combined Single Limits

4. Umbrella Liability in excess of Employer's Liability, General Liability and Automobile Liability (no more restrictive than the underlying insurance), with limits of \$4,000,000.

All Commercial General Liability including completed operations-products liability coverage and Automobile liability insurance shall designate Lessor as Additional Insured. All such insurance should be primary and non-contributory, with respect to Lessee's indemnity obligations under this Lease. In addition to the liability limits available, such insurance will pay on behalf or indemnify Lessor for defense costs with respect to Lessee's indemnity obligations under this Lease. Any other coverage available to the Lessor applies on a contingent and excess basis with respect to Lessee's indemnity obligations under this Lease. Such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive its rights of subrogation against Lessor.

Lessee, its contractor and subcontractors shall furnish prior to the start of work, certificates or adequate proof of the foregoing insurance including, if specifically requested by Lessor, copies of the endorsements and insurance policies naming Lessor as an Additional Insured. Current certificates of insurance shall be provided prior to the commencement of work and be maintained until completion of the contract. Lessor shall be notified in writing at least thirty (30) days prior to cancellation of or material change in a policy.

Carriers providing coverage will be rated by A.M. Best with at least an A-rating and a financial size category of at least Class VII. Such cancellation or material alteration shall not relieve Lessee of its continuing obligation to maintain insurance coverage in accordance with this Lease.

(B) If Lessee shall fail to procure and maintain said insurance, Lessor, upon written notice, may, but shall not be required to, procure and maintain same, but at the expense of Lessee. In the alternative, Lessor may declare a default hereunder and, unless such default is timely cured, terminate the Lease. Unless and until the default is cured, neither Lessee nor its servants, employees or agents will be allowed to enter upon the Leased Premises.

(C) The insurance requirements set forth in this Section 12 shall be maintained by Lessee for a period of up to thirty (30) days following the expiration or termination of this Lease, during which the Facilities shall be removed from the Leased Premises as required by Section 20 of this Lease.

13. **Indemnification.**

(A) To the fullest extent permitted by laws and regulations, Lessee shall defend, indemnify and hold harmless Lessor and all of Lessor's affiliated companies and the agents, officers, directors and employees of each and any of them from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court and arbitration or other dispute resolution costs) arising out of or resulting from the use or occupancy of the Leased Premises by Lessee, its servants, employees or agents, provided that any such claim, damage, loss or expense (i) is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to or destruction of tangible, intangible, or intellectual property, including the loss of use resulting therefrom and (ii) is caused in whole or in part by any negligence, act or omission of Lessee, its servants, employees or agents, or anyone for whose acts Lessee may be liable, regardless of whether or not caused in part by any negligence, act or omission of a person or entity indemnified hereunder or whether liability is imposed upon such indemnified party by laws and regulations regardless of the negligence of any such person or entity.

(B) In any and all claims against Lessor, its affiliated companies and the agents, officers, directors or employees of each or any of them by any employee (or the survivor or personal representative of such employee) of Lessee, its servants, employees or agents, any

person or organization directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Lessee, its servants, employees, or agents, or other person or organization under workers' compensation acts, disability benefits acts or other employee benefits acts.

(C) If any provisions of this Section 13 concerning indemnification is prohibited or unenforceable by applicable law, then this Section 13 shall be reformed and amended as may be required to provide the parties indemnified hereunder with the fullest extent of indemnification as is permitted under applicable law.

(D) In addition to any other indemnification contained herein, Lessee agrees to defend, indemnify and hold Lessor harmless from any claims relating to or arising from radio frequency interference, radio frequency radiation, electromagnetic fields or any other interference, damage or injury alleged to arise from or be related to Lessee's use and occupancy of the Leased Premises. By giving this indemnification, Lessee does not acknowledge or recognize the validity of radio frequency claims as they apply to communications facilities.

(E) Lessee has the express obligation to indemnify and defend Lessor if any equipment installed, maintained or operated by Lessee causes Lessor's property to be in violation of any federal, state, county or local rules or laws. Accordingly, if Lessee's equipment shall cause Lessor to violate any such rules or laws, Lessor may, at its option, terminate the Lease immediately.

(F) Except for repair costs under the circumstances described in Section 6(E), Lessor shall not be responsible for any loss or damage sustained to Lessee's Facilities unless such damage arises directly from the intentional acts or omissions of Lessor, its employees or agents.

(G) The obligations created in this Section 13 shall survive the expiration and/or termination of the Lease and be enforceable by the respective parties.

(H) Lessee expressly assumes the risk of all activities, dangerous or otherwise, arising pursuant to this Lease.

14. **Liens.**

(A) The Property, including the Leased Premises, are subject to the lien of that certain Indenture of Mortgage dated as of May 1, 1968 by and between Lexington Water Company (n/k/a Kentucky American Water Company) and The Fidelity Bank, as Trustee, as supplemented and amended (the "**Indenture**"). Lessee covenants and agrees that it shall not undertake or permit any activities on or concerning the Leased Premises which would cause Lessor to be in default of the Indenture.

(B) Lessee covenants and agrees that it shall not permit any mechanic's, laborer's, materialman's, statutory, tax or other lien resulting from acts or omissions of Lessee or Lessee's agents, employees, contractors or representatives to arise or be perfected and remain on the Property or Leased Premises, or any part thereof or on any rental payments due hereunder and shall indemnify, defend and hold Lessor harmless from and against any such lien; provided, however, that nothing contained in this Section 14 shall be deemed to require Lessee to pay or obtain the release of any such lien so long as Lessee is in good faith contesting the validity of such lien or causing its validity to be contested in good faith by others.

(C) It is the express intent of both parties to this Lease that neither party has any lien or security interest whatsoever in any personal property of the other party, and, to the extent that any applicable statute, code, or law grants either party, any lien or security interest, that party hereby expressly waives any rights thereto.

15. **Assignment.** Lessee may not assign, or otherwise transfer all or any part of its interest in this Lease or in the Leased Premises without the prior written consent of Lessor; which consent shall not be unreasonably withheld, provided, however, that if Lessee is not then in default hereunder, Lessee may assign its interest to its parent company, any subsidiary or affiliate of it or its parent company or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets. Upon assignment, Lessee shall be relieved of all future performance, liabilities and obligations under this Lease, provided that the assignee assumes all of Lessee's obligations herein. Lessee shall give Lessor written notice of any assignment of this Lease within ten (10) days thereof, together with a copy of the document effecting such assignment.

Lessor may assign this Lease, which assignment may be evidenced by written notice to Lessee within ten (10) days of said assignment, provided that the assignee assumes all of the

Lessor's obligations herein. This Lease shall run with the Property and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives, heirs and assign.

16. **Subleasing.**

(A) The Leased Premises may not be sublet by Lessee without the prior written consent of Lessor, which consent shall not be unreasonably denied. The approval by Lessor of any sublease shall not act to release Lessee from any of its obligations under this Lease.

(B) If a sublease is approved in writing by Lessor, Lessee shall be obligated to pay to Lessor an additional monthly premium in the amount of 50% of the monthly rental payable hereunder, such premium being in addition to the regular monthly rental due and owing hereunder.

17. **Termination.** Except as otherwise provided herein, this Lease may be terminated as follows:

- (A) **By Lessor:** (1) Upon ninety (90) days prior written notice in the event Lessor determines that it has a need for the use of the Leased Premises for public utility purposes that would be precluded, unduly restricted or otherwise adversely affected by the continued existence of the Facilities or if Lessor determines that the Improvements should be dismantled or demolished to permit the Land to be used for other purposes related to Lessor's public utility business. If Lessor issues a notice of termination under this Section 17(A)(1), Lessor shall use its best efforts to make available to Lessee an alternate site, owned by Lessor and suitable to Lessee, for the installation of the Facilities. If a suitable alternate site is identified, Lessee shall promptly undertake to install such Facilities on the alternate site as will permit it to remove the Facilities from the Leased Premises, all such installation and removal of Facilities being at Lessee's sole cost and expense. Upon completion of the installation of the Facilities at the alternate location, the Facilities at the Leased Premises shall be promptly removed therefrom. Concurrently therewith, this Lease shall be revised as necessary to accurately describe the alternate site and the Facilities located thereon and this Lease shall not terminate, but shall continue in full force and effect with

regard to the alternate site the same as if this Lease had originally applied thereto. If Lessee does not wish to install the Facilities at the alternate site, this Lease shall terminate and Lessor shall refund a prorated portion of the annual Rent paid during the past twelve months based on the number of months remaining until the next anniversary of this Lease.

(2) Upon failure to cure default in the payment of rent or other fees or charges payable hereunder, within fifteen (15) days following issuance of a written notice of default.

(3) Upon six (6) months' prior written notice if Lessor seeks to redevelop the Land in a manner inconsistent with the continued existence of the Facilities. In the event Lessor issues a notice of termination under this Sub Section 17(A)(3), Lessor shall use its best efforts to make available to Lessee an alternate site, owned by Lessor and suitable to Lessee, for the installation of the Facilities. If a suitable alternate site is identified, Lessee shall promptly undertake to install similar Facilities on the alternate site as will permit it to remove all Facilities from the Leased Premises. Upon completion of the installation of similar Facilities at the alternate location, the Facilities at the Leased Premises shall be promptly removed therefrom. Concurrently therewith, this Lease shall be revised as necessary to accurately describe the alternate site and the similar Facilities located thereon and this Lease shall not terminate, but shall continue in full force and effect with regard to the alternate site the same as if the Lease had originally applied thereto. If Lessee does not wish to install similar Facilities at the alternate site, it shall have the option of continuing to make all authorized uses of the Leased Premises under the terms of this Lease; provided, however, that in that event, Lessee shall compensate Lessor for either the loss in potential development value of the Property or any costs associated with the continued existence of the Facilities on the Leased Premises, at Lessor's election.

Lessor's right hereunder to terminate the Lease for redevelopment purposes may not be exercised during the Initial Term of this Lease, nor more than once during the entire term of this Lease (including any Extended Term).

- (B) By Lessee:
- (1) Upon ten (10) days' prior written notice if the Leased Premises are damaged or destroyed to an extent which prohibits or materially interferes with Lessee's use thereof.
 - (2) Upon ninety (90) days prior written notice to Lessor, if Lessee is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Facility as now and hereafter intended by Lessee despite Lessee's good faith efforts to obtain or maintain the same; or if Lessee determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable.
 - (3) Upon six (6) months prior written notice to Lessor during any Extended Term (but not during the Initial Term) and the payment concurrently with the issuance of such notice of a termination fee in an amount equal to three (3) months rent at the then current monthly rental; provided that Lessee shall not be in default under the terms of the Lease either at the time of issuance of the notice or at any time during the subsequent 90 days of the remaining lease term and; provided further, that all Facilities are removed within thirty (30) days of the termination of the Lease as provided in Section 20 hereof.
- (C) By Either Party:
- (1) Upon failure to cure any default of any covenant or term of the Lease (other than the payment of rent) within thirty (30) days following the defaulting party's receipt of a written notice of default by the non-defaulting party.

18. **Subordination, Attornment and Estoppel.**

(A) This Lease shall be subject and subordinate at all times to (i) all ground leases or underlying leases that may now exist or hereafter be executed affecting the Property, and (ii) the lien of any mortgage or deed of trust or other security instrument or encumbrance which may now exist or which may at any time hereafter be made upon the Property or upon Lessor's interest therein. This provision shall be self operative, and no further instrument of subordination shall be required to effect the subordination of this Lease. Nonetheless, in confirmation of such subordination, Lessee shall execute and deliver such further instruments

subordinating this Lease to any such ground lease or underlying lease or to the lien of any such mortgage or deed of trust or any other security device or encumbrance as shall be desired by any ground lessor, mortgagee or secured party.

(B) If Lessor's interest in the Leased Premises shall be acquired by any ground lessor, mortgagee or other secured party, or if Lessor's interest in the Leased Premises shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage, deed of trust or other security device covering the Leased Premises or in the event that a conveyance in lieu of foreclosure is made for any reason, Lessee shall be bound to Lessor's successor in interest at successor's option, under the terms, covenants and conditions of this Lease for the remaining Term, including any extensions or renewals, as the Lessor under this Lease, and, if requested by such successor in interest, Lessee agrees to attorn to the successor in interest as its Lessor.

(C) The holder of any mortgage, deed of trust or security instrument encumbering the Property shall have the right, unilaterally, at any time to subordinate fully or partially its mortgage or deed of trust or other security instrument to this Lease on such terms and subject to such conditions as such holder may consider appropriate in its discretion. Upon request Lessee shall execute and deliver an instrument confirming any such full or partial subordination.

(D) Lessee shall, within fifteen (15) days following written request by Lessor, execute and deliver to Lessor an estoppel certificate, in a form submitted to Lessee by Lessor, certifying that this Lease is unmodified and in full force and effect or, if this Lease has been modified, attaching a copy of the modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any; acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor or stating the nature of any uncured defaults; certifying the current annual rent amount; and certifying to such other information as Lessor may reasonably request. If Lessee fails to execute and return the estoppel certificate within such fifteen (15)-day period, the facts and figures set forth in the estoppel certificate submitted by Lessor to Lessee shall be deemed to be true and Lessor or its mortgagees, lenders, or prospective investors or purchasers shall have the right to rely on that information.

19. **Condemnation.**

(A) If all or a portion of the Leased Premises is taken or condemned for a public or quasi-public use (a sale in lieu of or in settlement of condemnation shall be deemed a taking or

condemnation for purposes of this Lease), to the extent that Lessee's use is deemed to be destroyed, this Lease shall terminate as of the date title to the Leased Premises vests in the condemnor and the rent shall be apportioned and paid in full by Lessee to Lessor to that date and neither party shall thereafter have any liability hereunder.

(B) The parties will each have such rights as allowed or recognized by law to pursue an award of damages for their respective property and property rights taken, or threatened to be taken, by condemnation.

(C) Lessee shall have the right and duty to remove the Facilities prior to the date title to the Leased Premises vests in the condemnor.

20. **Surrender/Holding Over/Removal.**

(A) Within thirty (30) days following the expiration or termination of the Lease, the Lessee shall voluntarily surrender possession of the Leased Premises and shall remove all of the Facilities from the Leased Premises and the Property unless and to the extent otherwise agreed in writing by Lessor. Upon removal of the Facilities, Lessee shall restore the Leased Premises to the condition that existed on the Commencement Date, reasonable wear and tear, loss of trees or shrubs necessary to permit installation or removal of the Facilities and loss by casualty or other cause beyond Lessee's control, excepted. If Lessee fails or refuses to remove the Facilities within the aforesaid thirty-day period, Lessor may remove and dispose of the Facilities at Lessee's expense. Except for trees and shrubs as provided above, Lessee shall, at its sole cost and expense, repair any damage to the Property, including the Leased Premises, caused by removal of the Facilities.

(B) If Lessee, or any party claiming by, through or under Lessee, remains in possession of the Leased Premises after expiration or earlier termination of this Lease, Lessee shall be deemed to be occupying the Leased Premises as a tenant at the sufferance of Lessor, subject to all of the provisions of this Lease, except that for each month or partial month in which Lessee holds over, the Rent for such month or portion thereof shall be one hundred fifty percent (150%) of one twelfth of the annual Rent in effect during the last year of the Term of this Lease without apportionment for any partial month. Additionally, Lessee agrees to indemnify and hold harmless Lessor for any and all loss, damage, cost, expense and liability (including, without limitation, attorneys' fees, court costs and consequential damages) incurred

by Lessor in connection with Lessee's holding over at the Leased Premises. No provision in this Section 20 shall: (a) be deemed to be a consent by Lessor to any holding over by Lessee; (b) preclude or exclude Lessor from exercising its right of re-entry; or (c) be deemed to be a waiver of any other rights or remedies which may be available to Lessor hereunder, under any ground lease or underlying leases then in effect.

21. **Notice.** "Notice" means any notice, demand, request, or other communication or document to be provided under this Lease (including the Option) to either party. All notices shall be in writing and shall be given to the party at its address set forth in Exhibit 3 or such other address as a party may later specify for that purpose by written notice to the other party. Each notice shall, for all purposes, be deemed received and effective:

- (a) If hand delivered to a party against receipted copy, when the copy of the notice is acknowledged by the receiving party or its authorized agent by signing or initialing the same;
- (b) If given by a nationally recognized and reputable overnight delivery service, one (1) business day after it is deposited with the delivery service; or
- (c) If given by certified mail, return receipt requested, postage prepaid, two (2) business days after it is deposited in the United States mail.

22. **Governing Law.** This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the state in which the Property is located.

23. **Binding on Successors.** All of the terms and conditions contained herein, and any amendments thereto, shall apply to and bind the Lessor and Lessee and their respective successors and assigns, but this provision shall not permit an assignment by Lessee of this Lease, except as expressly provided in Section 15 hereof.

24. **Safety and Protection.** Lessee shall comply, and shall require its contractors, subcontractors and agents to comply, with all applicable local, state or federal laws and regulations concerning the safety of persons or property. In addition, Lessee shall take or cause to be taken all necessary precautions, whether or not required by law or regulation, as may be necessary or prudent to prevent damage, injury or loss to:

- (a) all persons working on or visiting the Property (including the Leased Premises), irrespective of the employer of such persons;

(b) all of the Improvements and Facilities on the Property (including the Leased Premises); and

(c) all other property of any kind or nature, regardless of the ownership thereof, on or adjacent to the Property (including the Leased Premises).

25. Environmental Laws.

(A) Lessee represents, warrants and agrees that it will conduct its activities on the Leased Premises in compliance with all applicable Environmental Laws (hereinafter defined). Lessee agrees that it will not use, generate, store or dispose of any Hazardous Substance (hereinafter defined) on, under, about or within the Premises (including the Leased Premises), in violation of any law or regulation.

(B) To the fullest extent permitted by law, Lessee hereby agrees to indemnify, hold harmless, protect, and defend Lessor and Lessor's agents, affiliates, employees, contractors and representatives from and against any and all claims, causes of action, liabilities, losses, damages whether foreseeable or unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or off-site disposal, or transportation of Hazardous Substances on, into, from, under, or about the Leased Premises or the Property by Lessee or Lessee's agents, employees, contractors or representatives, specifically including, but not limited to, the costs of any required or necessary repair, restoration, cleanup (including, but not limited to, the costs of investigation and removal of Hazardous Substances), or detoxification of the Leased Premises and/or the Property and the preparation of any closure or other required plans, whether or not such action is required or necessary during the term or after the expiration or termination of this Lease. The provisions of this Section 25 shall survive the termination, cancellation, or expiration of this Lease.

(C) As used in this Lease, "**Environmental Laws**" means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits pertaining to the protection of human health and/or the environment, including, but not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et seq., the Clean Air Act, 42 U.S.C. §§ 7401, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 1101, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601, et seq., the Oil Pollution Control

Act, 33 U.S.C. §§ 2701, et seq., and (state laws), or any other comparable local, state or federal statute or ordinance pertaining to the environmental or natural resources and all regulations pertaining thereto. This definition includes all federal, state or local land use laws dealing with environmental sensitivity including, but not limited to, laws regarding wetlands, steep slopes, aquifers, critical or sensitive areas, shorelines, fish and wildlife habitat, or historical or archeological significance.

(D) As used in this Lease, “**Hazardous Substance**” means any hazardous or toxic substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act, as amended from time to time; any hazardous waste as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time; any and all material waste or substance defined as hazardous pursuant to any federal, state or local laws or regulations or order; and any substance which is or becomes regulated by any federal, state or local governmental authority; any oil, petroleum products and their byproducts.

26. **Default and Right to Cure.**

(A) The following will be deemed a default by Lessee and a breach of this Agreement (i) non-payment of Rent if such Rent remains unpaid for more than twenty (20) days after receipt of written notice from Lessor of such failure to pay; or (ii) Lessee’s failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Lessor specifying the failure. No such failure, however, will be deemed to exist if Lessee has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessee.

(B) The following will be deemed a default by Lessor and a breach of this Agreement. Lessor’s failure to perform any term, condition or breach of any warranty or covenant under this Agreement within thirty (30) days after receipt of written notice from Lessee specifying the failure. No such failure, however, will be deemed to exist if Lessor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessor.

27. **Headings.** The headings of the numbered sections of this Lease are for convenience of reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such sections.

28. **Severability.** If any section, term or provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be held or determined to be invalid or unenforceable, the remainder of said section, term or provision of the Lease or the application of same to parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, term or provision of this Lease shall be valid or enforceable to the fullest extent permitted by law.

29. **Cumulative Rights.** All rights, options and remedies of Lessor under the Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies. Nothing in this Section 29 shall be deemed to limit or otherwise affect Lessee's indemnification of Lessor pursuant to the terms of the Lease.

30. **Further Assurances.** Each of the parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence or confirm this Lease or any other agreement contained herein in the manner contemplated hereby.

31. **Waivers.** No waiver by Lessor or Lessee of any breach or provision contained herein shall be construed to be a waiver of any other breach or provision and shall not be construed to be a waiver of any requirements that Lessee seek future written approval by Lessor.

32. **Lease Not Recorded.** The parties hereto covenant and agree that this Lease shall not be voluntarily placed of record in the public land records of the city, county or other political subdivision in which the Property is located, or in any other public record. The parties further agree that in the event this Lease is placed of record in the aforesaid land records or in any other such public record, this Lease shall automatically terminate upon notice of such recording being given by either party to the other. Notwithstanding the foregoing, Lessee may record a Memorandum of Lease in a form acceptable to Lessor.

33. **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

34. **Entire Agreement.** It is understood and agreed that this Lease contains all agreements, promises and understandings between Lessor and Lessee and that no verbal or oral agreements, promises or understandings shall be binding upon either Lessor or Lessee in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Lease shall be void and unenforceable unless made in writing and signed by the authorized representatives of the parties hereto.

35. **Conditions Precedent.** This Lease is expressly conditioned on approval by Lessor's Board of Directors and by any governmental body or agency that regulates Lessor and from whom Lessor may be required to obtain approval (collectively "Lessor Required Approvals"). If not previously obtained, Lessor agrees to use its best efforts to obtain such approvals as rapidly as reasonably possible following execution of the Lease. In the event that any Lessor Required Approvals have not been obtained on or before the Commencement Date, the Lease shall nevertheless remain in effect for a period of up to ninety (90) days, during which Lessor shall diligently seek to obtain the Lessor Required Approvals; provided, however, that the First Year Rent otherwise due hereunder shall not be due until all Lessor Required Approvals have been obtained. The First Year Rent shall be prorated to cover only that portion of the Initial Term of the Lease that remains after all Lessor Required Approvals have been obtained. If all Lessor Required Approvals have not been obtained by the end of the first three (3) full calendar months of the Initial Term of the Lease, the Lessee shall have the option of either continuing the Lease for up to an additional ninety (90) days to permit the approvals to be obtained, in which case, the rent shall continue to be abated and prorated accordingly or terminating the Lease with no further liability by either party to the other.

36. **Dispute Resolution.**

(A) In the event of any dispute, claim, question or disagreement arising from or relating to this Lease or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of sixty (60) days, then, upon notice by either party to the other, all disputes, claims, questions,

or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules, and judgment upon the award may be entered in any court having jurisdiction. Neither party shall interrupt the process of its performance under the Lease pending a final determination in the arbitration proceeding.

(B) The arbitrators shall have no power to change any of the provisions of this Lease in any respect, nor shall they have any power to make an award of reformation, or of consequential or punitive or other damages not measured by the prevailing party's actual damages (except as may be required by statute), and the jurisdiction of the arbitrators is hereby expressly limited accordingly. The arbitration shall be heard at a mutually agreeable time and location within the state in which the Leased Premises are located by a panel of three arbitrators, one of whom must be an attorney-at-law, duly licensed in the jurisdiction and actively engaged in the practice of his profession for at least 10 years.

37. **Non-Agency.** It is not the intention of Lessor or Lessee to create by this Lease a relationship of master-servant or principal-agent, and under no circumstance shall Lessee be considered the agent of Lessor, or vice versa, it being the sole purpose and intent of the parties to this Lease to create a relationship of Lessor and Lessee.

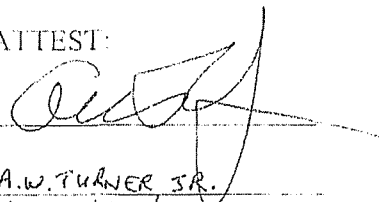
38. **Authority.** Each individual executing this Lease on behalf of Lessee represents and warrants that: (i) he or she is duly authorized to execute and deliver this Lease on behalf of such entity in accordance with its corporate bylaws, statement of partnership, certificate of limited partnership, or appropriate limited liability company documentation, as the case may be; (ii) this Lease is binding upon said entity in accordance with its terms; and (iii) Lessee is duly organized, legally existing, and in good standing in the State of Kentucky.

39. **Exhibits, References.** All exhibits, attachments, amendments, riders, and addenda attached to this Lease are hereby incorporated into and made a part of this Lease. All references in this Lease to sections, exhibits, and provisions are made, respectively, to the sections, exhibits, and provisions of this Lease, unless otherwise specified.

40. **Joint and Several.** If Lessee is constituted of more than one person or entity, the obligations imposed on each such person or entity under the Lease shall be joint and several.

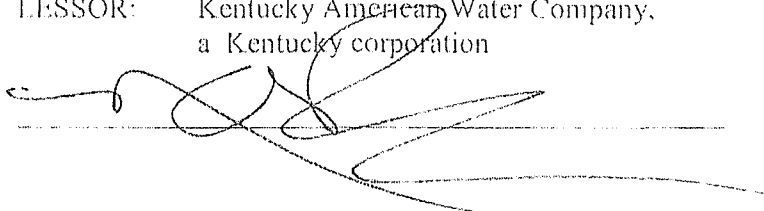
IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first written above.

ATTEST:



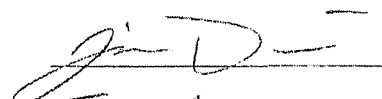
A.W. TURNER, SR.
(please type in)

LESSOR: Kentucky American Water Company,
a Kentucky corporation



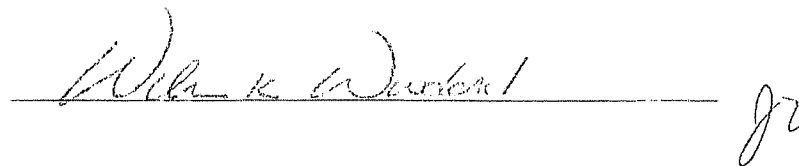
By: Nick O. Rowe
Title: President

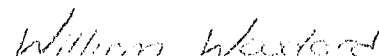
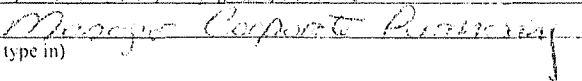
ATTEST:



Jim DIMAS
(please type in)

LESSEE: Kentucky Utilities Company,
a Kentucky corporation


_____ go

By: 
Title: 
(please type in)

STATE OF KENTUCKY,

COUNTY OF FAYETTE, TO-WIT:

I, LOUISE G. MAGEE, a Notary Public in and for the State and County aforesaid, do hereby certify that Nick O. Rowe, whose name is signed to the foregoing writing bearing date the ~~7th~~²² day of ~~July~~^{or}, 2008, as President of Kentucky American Water Company, a Kentucky corporation, has this day acknowledged same before me in my said State and County to be the act and deed of said corporation.

Given under my hand this 7th day of July, 2008.

My commission expires: August 16, 2008.

Louise G. Magee
Notary Public

STATE OF KENTUCKY,

COUNTY OF Jefferson, TO-WIT:

Deborah Brinley, a Notary Public in and for the State and County aforesaid, do hereby certify that WILLIAM LEOPARD, whose name is signed to the foregoing writing bearing date the 25 day of June, 2008, as MEM. CORP. of Kentucky Utilities Company, a Kentucky corporation, has this day acknowledged same before me in my said State and County to be the act and deed of said company.

Given under my hand this 25 day of June, 2008.

My commission expires: June 21, 2010.

Deborah Brinley
Notary Public

Exhibit 1

Description of "Property"

The "Land" and "Improvements", if any, which together comprise the "Property", as such terms are used in the foregoing Telecommunications Site Lease, are as follows:

100,000 gallon water tank located on East Perry Street, City of Owenton, Owen County, Kentucky.

Land: A small parcel of real property lying and being situated just south of East Perry Street in Owenton, Owen County, Kentucky and more particularly described as follows:

Beginning at a point, the corner of the property owned by City of Owenton, the site the 75,000 gallon water tower (no longer existing), thence S 86.75° E 60 feet to a stake; thence S 3.25° W 65 feet to a stake; thence N 86.75° W 60 feet to a stake; thence N 3.25° E 65 feet to the point of beginning.

And

Land: A small lot or parcel of real property in the City of Owenton, lying adjacent to and immediately west of the site of the city's 75,000 gallon water storage tank and described as follows:

Beginning at a point, the north west corner of the 75,000 gallon water storage tank site (no longer existing); thence with the boundary of said site S 3¼° W 65 feet to a stake; thence with a new line through Grantor (now Peoples Bank) N 86 ¾° W 60 feet to a stake; thence with another new line N 3¼° E 65 to the boundary of Grantor (now Peoples Bank); thence along said boundary S 86¾° E 60 feet to the point of beginning; and

Being the same property, or a portion thereof, acquired by Lessor (or its predecessor) by deed of conveyance dated September 15, 2005, of record in Owen County in Deed Book 215, at page 402.

This site originally contained two (2) water storage tanks, a 75,000 gallon and a 100,000 gallon. The 75,000 gallon water storage tank has been removed.

Exhibit 2

Description of “Leased Premises”

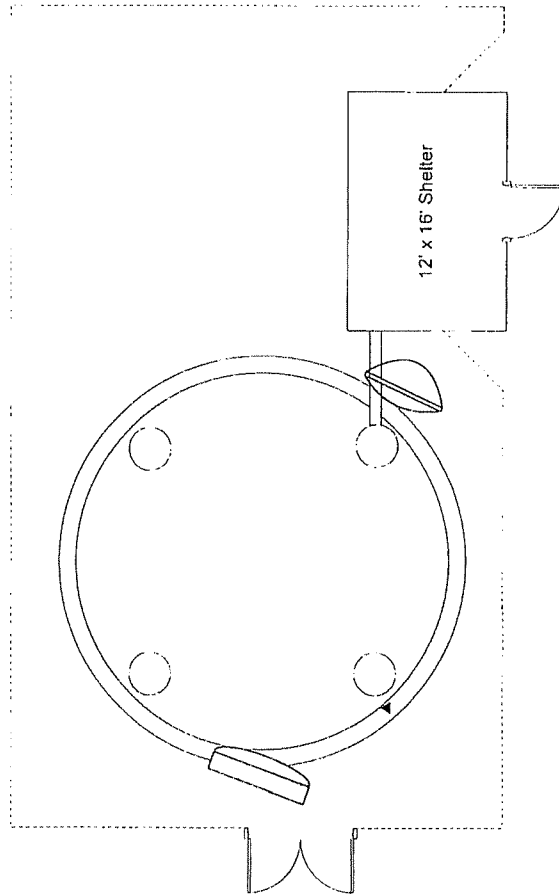
The “Leased Premises” to which the foregoing Telecommunications Site Lease applies, is described as follows:

(1) So much of the available exterior surface area of the Improvements (described in Exhibit 1), and air space above and adjacent thereto, as is reasonably necessary for the attachment of two (2) six (6) gigahertz antennas and two (2) 450 megahertz antennas and all necessary cables and equipment appurtenant thereto, being more fully described on Exhibit 5; and

(2) a portion of the available surface area of the Land (described in Exhibit 1) reasonably necessary for the installation of an Equipment Shed (defined in Section 6 of the Lease) and appurtenant facilities, being more fully described on Exhibit 5; the approximate location and boundaries of said Leased Premises being shown, in whole or in part, on a plat or sketch thereof attached hereto as Exhibit 2A.

Exhibit 2A

This Exhibit 2A consists of the "Site Layout" drawings on the following page.



e-on | U.S.
Telecommunications

Site Layout
Owenton, KY

Drawn: JR Pulliam 05/14/2008

Revised: Name & Date

OWENTON
SITE.VSD

Exhibit 3

Addresses for Payments and Notices

Payments

From Lessee to Lessor

All lease and other payments to be made by Lessee to Lessor under the Lease shall be addressed as follows:

Reference the following on all documents: KY-AW Owenton Tank

American Water Capital Corp.
PO Box 822192
Philadelphia, PA 19182-2192

From Lessor to Lessee

All payments to be made by Lessor to Lessee under the Lease shall be addressed as follows:

N/A

Notices

From Lessee to Lessor

All notices required or permitted to be given by Lessee to Lessor under the Lease shall be addressed as follows:

Reference the following on all documents: KY-AW Owenton Tank

Kentucky American Water Company
2300 Richmond Road
Lexington, KY 40502
Attn: Regional Corporate Counsel

From Lessor to Lessee

All notices required or permitted to be given by Lessor to Lessee under the Lease shall be addressed as follows:

E.ON U.S. LLC.
Attn: Jim Dimas, Senior Corporate Attorney
220 West Main Street
Louisville, KY 40202
Tel: 502-627-3712

Exhibit 4

Access Conditions

Access to the Premises and Leased Premises by Lessee and all persons on its behalf, including, but not limited to, its employees, agents and contractors, is subject to the following conditions and limitations:

1. Lessee shall provide Lessor with a list of all persons who may require access to the Leased Premises from time to time and will update the list as necessary to keep it current. Lessee shall require all persons accessing the Leased Premises or the Property on its behalf to display or produce upon request an identification card or badge incorporating a recent photograph of the bearer.
2. Unless and until Lessee's Equipment Shed and other ground-level Facilities are completely enclosed by fencing that (i) may be accessed without entering into any other fenced-in portions of the Property and (ii) does not permit access to any other fenced-in portions of the Property, Lessee shall give Lessor a minimum of five (5) days advance notice of the date and approximate time that Lessee will enter onto the Property. If and when Lessee's Equipment Shed and other ground-level Facilities are enclosed by fencing with a separate point-of-access that does not require or permit access to any other fenced-in portions of the Property, Lessee may then access the Equipment Shed and other Facilities located within the same enclosure without giving Lessor prior notice; provided, however, that if necessary or appropriate to respond to any security threats or warnings, Lessor may bar all access to the Leased Premises until the security threat or warning has been eliminated.
3. Lessee shall at no time have access to the Improvements or other areas on the Improvements or on other portions of the Property located outside of any Equipment Shed enclosure unless Lessee is accompanied on site by Lessor's representative. In the event Lessee needs access to any of the Leased Premises located outside of the Equipment Shed enclosure, Lessee shall give Lessor written notice pursuant to Section 21 of the Lease at least five (5) days in advance, said notice to be addressed as specified in Exhibit 3; provided that Lessee may access any portion of the Leased Premises containing Facilities of Lessee in the event of an emergency after providing telephonic notice to Lessor. For purposes of this paragraph, damage to or failure of Lessee's Facilities shall constitute an emergency.

Exhibit 5

Description of Facilities

The "Facilities", as such term is defined and used in the foregoing Telecommunications Site Lease, consists of the following:

Ground Space: Described more fully in Exhibit 2A "Site Layout"

Equipment: Equipment ancillary to the antennas described below and contained within the 12' x 16" Shelter depicted on Exhibit 2A and cable running between such shelter and the antennas described below.

Antennas: Two (2) six (6) gigahertz antennas and two (2) 450 megahertz antennas attached to Lessor's water tower at the locations described on the "Tower Profile" drawing on the following page.



Tower Profile
Owenton, KY

Drawn: JR Pulliam 05/14/2008

OWENTON
PROFILE.VSD

Revised: Name & Date

{ DB408 Mobile UHF Antenna
379 Watts ERP
FCC License WPKK419
451.125 MHz }

{ Microwave to Ghent
68.2 dBm EIRP
323.4° Azimuth
FCC License WSP78
6165.1 MHz (V) }

{ Microwave to Skinnersburg
66.6 dBm EIRP
143.0° Azimuth
FCC License WSP78
6615.0 MHz (V) }

135'

110'

110'

12'

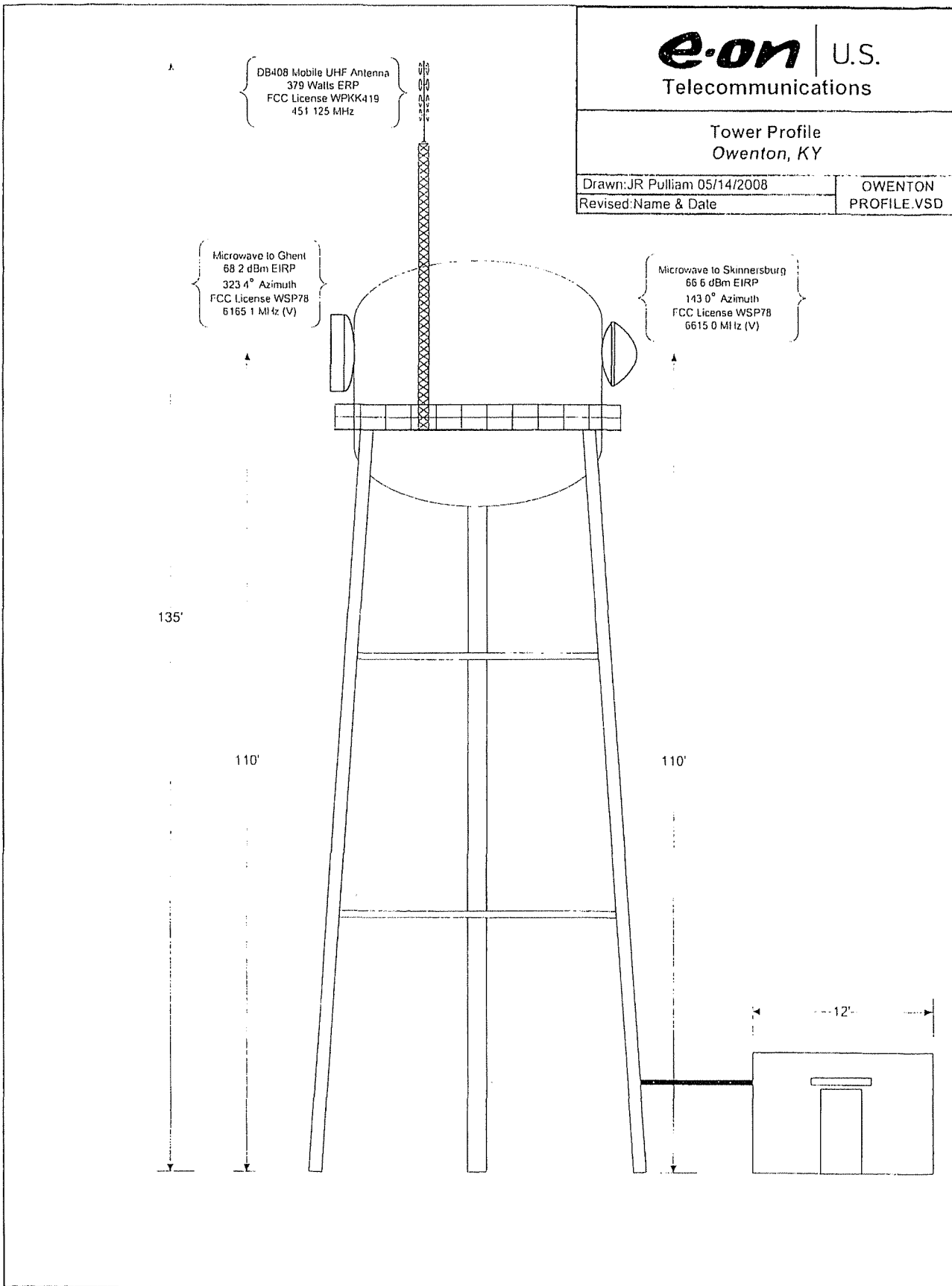


Exhibit 6

SPECIFIC PROCEDURES FOR OBTAINING SECURITY CLEARANCE

Once the site is constructed and access is required to the water tank to perform routine maintenance on the antennas, Lessee shall give Lessor written notice pursuant to Section 21 of the Lease at least five (5) business days in advance, said notice to be addressed as specified in Exhibit 3. In addition, a copy of said notice shall be faxed to the following person(s) designated by Lessor to coordinate access to the Leased Premises.

Title: Corporate Counsel
Tel #: 859-268-6339
Fax #: 859-268-6327

Exhibit 7

Memorandum of Lease

This Memorandum evidences that a lease was made and entered into by written Telecommunications Site Lease Agreement dated _____, 2008 ("Agreement"), between Kentucky American Water Company, a Kentucky corporation (the "Owner"), Lessor (Grantor for purposes of indexing), with an address at 2300 Richmond Road, Lexington, KY 40502, and Kentucky Utilities Company, a Kentucky corporation ("Grantee"), Lessee, (Grantee for purposes of indexing), with an office at One Quality Street, Lexington, Kentucky 40507, involving property owned by the Lessor.

Such Agreement provides, in part, that Lessor leases to Lessee space on one of the water tanks ("Site") located at East Perry Street, city of Owenton, Owen County, Kentucky, within the property of Lessor, which Site is described in Exhibit A, attached hereto, for a term of two (2) years, commencing on June 1, 2008, which term is subject to up to one (1) additional extended term of one (1) year.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the day and year first above written.

"LESSOR/GRANTOR",
Kentucky American Water Company
a Kentucky corporation

By: _____

Name: Nick O. Rowe
Title: President

"LESSEE"/"GRANTEE",
Kentucky Utilities Company
a Kentucky corporation

By: _____

Name: _____
Title: _____

NOTARIZATION OF GRANTOR'S SIGNATURE:

STATE OF KENTUCKY
COUNTY OF FAYETTE. to wit:

The foregoing Memorandum of Lease was acknowledged before me this ____ day of _____, 2008, by Nick O. Rowe, as President of Kentucky American Water Company, a Kentucky corporation, on behalf of the corporation, in my jurisdiction aforesaid.

Notary Public

My Commission expires: _____.

NOTARIZATION OF GRANTEE'S SIGNATURE:

STATE OF KENTUCKY
COUNTY OF _____, to wit:

The foregoing Memorandum of Lease was acknowledged before me this ____ day of _____, 2008, by _____, as _____ of Kentucky Utilities Company, a Kentucky corporation, in my jurisdiction aforesaid.

Notary Public

My Commission expires: _____.

RRRT:
Nextel WIP Lease Corp
4500 Carillon Point
Kirkland, WA 98033
Attn: Lease Administrator

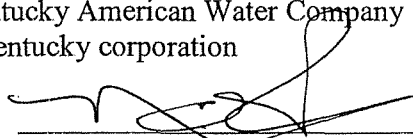
Memorandum of Lease

This Memorandum evidences that a lease was made and entered into by written Telecommunications Site Lease Agreement dated February 22, 2007 ("Agreement"), between Kentucky American Water Company, a Kentucky corporation (the "Owner"), Lessor (Grantor for purposes of indexing), with an address at 2300 Richmond Road, Lexington, KY 40502, and Nextel WIP Lease Corp d/b/a Nextel Partners, a Delaware corporation ("Nextel"), Lessee, (Grantee for purposes of indexing), with an office at 4500 Carillon Point, Kirkland, WA 98033, involving property owned by the Lessor.

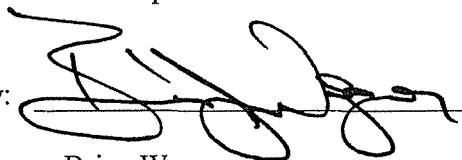
Such Agreement provides, in part, that Lessor leases to Lessee space on a water tank ("Site") located at Mercer Road, Lexington, KY 40511, within the property of Lessor, which Site is described in Exhibit A, attached hereto, for a term of five (5) years, commencing on _____, 2007, which term is subject to up to four (4) additional extended terms of five (5) years each.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the day and year first above written.

"LESSOR/GRANTOR",
Kentucky American Water Company
a Kentucky corporation

By: 
Name: Nick O. Rowe
Title: President

"LESSEE"/"GRANTEE",
Nextel WIP Lease Corp d/b/a Nextel Partners
a Delaware corporation

By: 
Name: Brian Wegner
Title: Site Development Manager

NOTARIZATION OF GRANTOR'S SIGNATURE:

STATE OF KENTUCKY

COUNTY OF FAYETTE, to wit:

The foregoing Memorandum of Lease was acknowledged before me this 22nd day of February, 2007, by Nick O. Rowe, as President of Kentucky American Water Company, a Kentucky corporation, on behalf of the corporation, in my jurisdiction aforesaid.

Louise A. Meyer
Notary Public

My Commission expires: August 16, 2008.

NOTARIZATION OF GRANTEE'S SIGNATURE:

STATE OF Kansas

COUNTY OF Johnson, to wit:

The foregoing Memorandum of Lease was acknowledged before me this 12 day of February, 2007, by Brian Wegner, as Site Development Manager of Nextel WIP Lease Corp d/b/a Nextel Partners, a Delaware corporation, in my jurisdiction aforesaid.

Brenda E. Bradshaw
Notary Public

My Commission expires: 8-4-08.

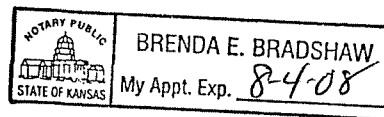



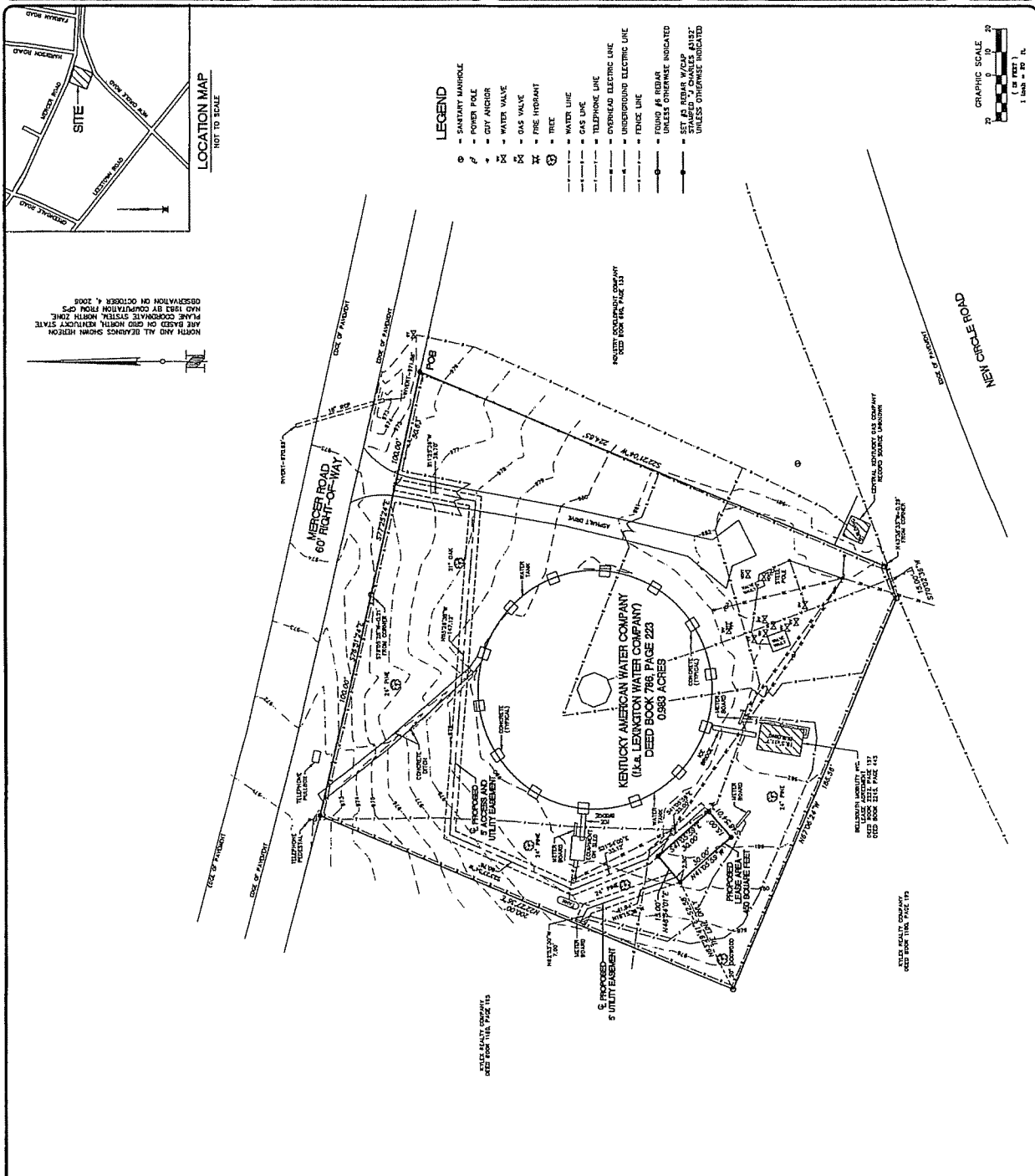
Exhibit A

Survey Sheet 1 of 1

Lease Exhibit Sheet 1 of 2

Lease Exhibit Sheet 2 of 2

REVISIONS <table border="1"> <tr><th>NO.</th><th>DATE</th><th>DESCRIPTION</th></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	NO.	DATE	DESCRIPTION													 BTM ENGINEERING, INC. Consulting Engineers Landscapes Architects Planners 5001 Taylor Springs Drive Lexington, Kentucky 40520 Phone: (606) 455-6422 Fax: (606) 455-6427	CLIENT KENTEX PARTNERS 13405 EASTPOINT CENTRE DRIVE ANCHORAGE, KENTUCKY 40223 (502) 245-2771	LEASE AREA SURVEY KENTUCKY AMERICAN WATER COMPANY (i.e. LEXINGTON WATER COMPANY) (SITE) 1890 FENCER ROAD LEXINGTON, KENTUCKY (FAYETTE COUNTY) DEED BOOK 786, PAGE 223 MAP NO. 08-09-003, ACCOUNT NO. 04024860
NO.	DATE	DESCRIPTION																



NOTES

1. THE WORK SHOWN ON THIS DRAWING IS BASED ON THE DATA AND RECORDS PROVIDED BY THE CLIENT. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF ANY OTHER INTERESTS OR ENCUMBRANCES.
2. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF ANY OTHER INTERESTS OR ENCUMBRANCES.
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10. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF ANY OTHER INTERESTS OR ENCUMBRANCES.

PARENT TRACT LEGAL DESCRIPTION

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

PROPOSED LEASE AREA LEGAL DESCRIPTION

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

TO HAVE AND TO HOLD unto the said Kentucky American Water Company, its heirs, assigns and assigns forever, all that certain tract of land located in Fayette County, Kentucky, more particularly described as follows:

LOCATION MAP
NOT TO SCALE



LEGEND

- SANITARY MAINLINE
- POWER POLE
- CITY ANCHOR
- WATER VALVE
- GAS VALVE
- FIRE HYDRANT
- TREE
- WATER LINE
- GAS LINE
- TELEPHONE LINE
- OVERHEAD ELECTRIC LINE
- UNDERGROUND ELECTRIC LINE
- FENCE LINE
- RIBBON #4 RIBBON
- UNLESS OTHERWISE INDICATED
- SET AS PER PLAN AND AS NOTED
- UNLESS OTHERWISE INDICATED

GRAPHIC SCALE
1" = 100' = 10'

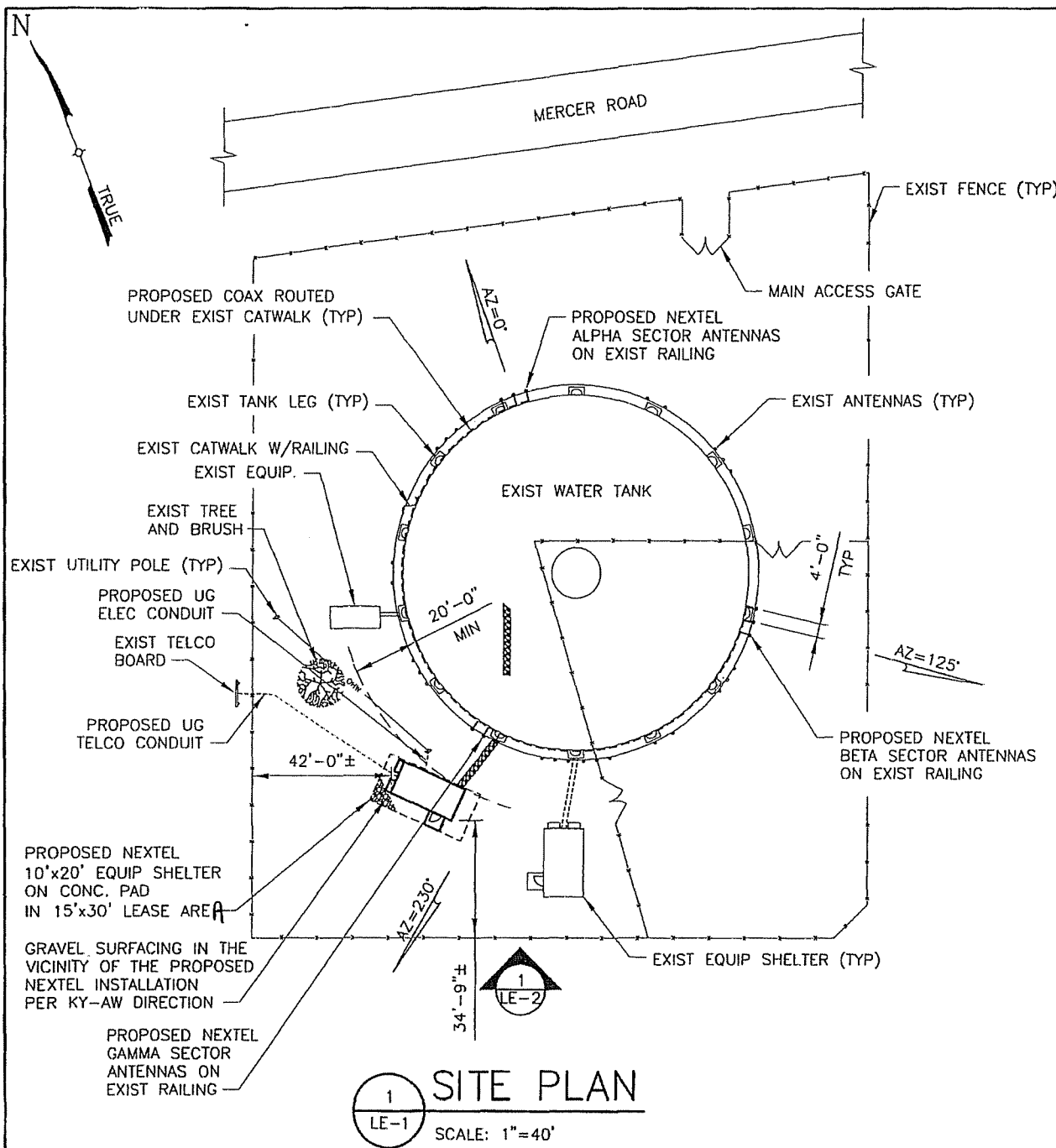
CLIENT
KENTEX PARTNERS
13405 EASTPOINT CENTRE DRIVE
ANCHORAGE, KENTUCKY 40223
(502) 245-2771

BTM ENGINEERING, INC.
Consulting Engineers Landscapes Architects Planners
5001 Taylor Springs Drive
Lexington, Kentucky 40520
Phone: (606) 455-6422
Fax: (606) 455-6427

KENTUCKY AMERICAN WATER COMPANY
(i.e. LEXINGTON WATER COMPANY)
(SITE) 1890 FENCER ROAD
LEXINGTON, KENTUCKY (FAYETTE COUNTY)
DEED BOOK 786, PAGE 223
MAP NO. 08-09-003, ACCOUNT NO. 04024860

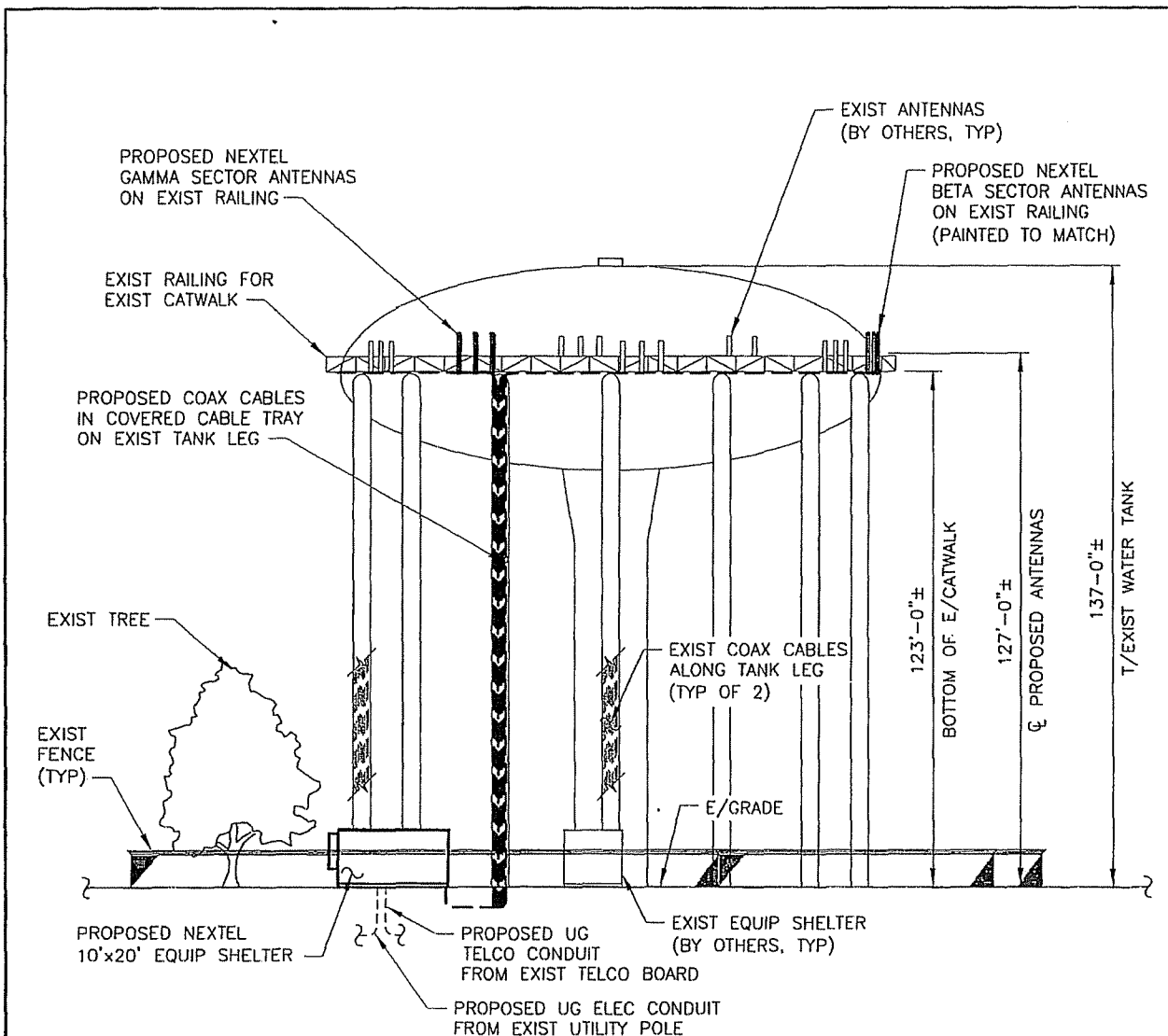
REVISIONS

NO.	DATE	DESCRIPTION



- NOTES:
1. SITE FEATURE AS SHOWN ARE BASED ON A LIMITED INSPECTION BY TECTONIC ENGINEERING & SURVEYING CONSULTANTS P.C. ON 9/22/06.
 2. NEXTEL PROPOSES A TOTAL OF (9) ANTENNAS ON WATER TANK HANDRAIL, (2) GPS ANTENNAS LOCATED ON THE SHELTER AND (9) CABLES WITH THIS INSTALLATION.

TECTONIC • PLANNING • ENGINEERING • SURVEYING • CONSTRUCTION MGMT. TECTONIC Engineering & Surveying Consultants P.C. 955 Little Britain Road New Windsor, NY 12553 Phone: (845) 567-6656 Fax: (845) 567-8703	2	1/23/07	NEXTEL PARTNERS INC. MERCER ROAD LEXINGTON, KY 40511
	1	11/20/06	
	0	10/4/06	
	TEC WO: 3798-KY01N ISSUED BY: KZ	REV DATE	



1 ELEVATION
LE-2 SCALE: 1"=30'

NOTES:

1. THE ANTENNAS AND EQUIPMENT LOCATION AS SHOWN IS PENDING ON THE VERIFICATION OF STRUCTURAL CAPACITY OF THE WATER TANK, AND THE LOCATION OF EXIST ANTENNAS. THIS PROPOSAL SHOULD NOT BE CONSIDERED FINAL UNTIL SUCH VERIFICATION.
2. PROPOSED UTILITY CONDUIT ROUTING SHOWN IS APPROXIMATE AND MAY CHANGE TO PREVENT INTERFERENCE WITH EXISTING CONDITIONS. ELECTRIC SERVICE SHALL BE SEPARATE AND SHALL NOT BE PULLED FROM KY-AW CIRCUITS.
3. EXIST ANTENNAS SHOWN IN THE SKETCH ABOVE ARE BASED ON A VISUAL INSPECTION AND ARE FOR DEMONSTRATION PURPOSES ONLY. EXACT NUMBER AND SIZE HAS NOT BEEN PHYSICALLY MEASURED.
4. ALL DISTURBED AREAS TO BE REFURBISHED.

TECTONIC • PLANNING • ENGINEERING • SURVEYING • CONSTRUCTION MGMT. TECTONIC Engineering & Surveying Consultants P.C. 955 Little Britain Road New Windsor, NY 12553 Phone: (845) 567-6656 Fax: (845) 567-8703	2	1/23/07	NEXTEL PARTNERS INC. MERCER ROAD LEXINGTON, KY 40511
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	TEC WD:3798-KY01N ISSUED BY: KZ	REV DATE	

KY-AW Site ID: Mercer Road

Nextel Site ID: KY343P Masterson Station

TELECOMMUNICATIONS SITE LEASE

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TELECOMMUNICATIONS SITE LEASE

THIS TELECOMMUNICATIONS SITE LEASE (“Lease”) made as of this 22nd day of February 2007, by and between Kentucky American Water Company, a Kentucky corporation, with its principal office located at 2300 Richmond Road, Lexington, Kentucky 40502 (“Lessor”),

and

Nextel WIP Lease Corp d/b/a Nextel Partners, a Delaware corporation, with its principal office located at 4500 Carillon Point, Kirkland, Washington 98033 (“Lessee”);

WITNESSETH:

THAT, WHEREAS, Lessor owns, or has leasehold or other real property interest rights to the possession and use of, that certain lot or parcel of land (“Land”), together with all buildings and structures or other improvements thereon, if any (“Improvements”), as more fully described on the attached Exhibit 1, said Land and Improvements being hereinafter collectively referred to as the “Property”; and

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor certain portions of the Property, as more fully described herein, for telecommunications purposes (hereinafter defined);

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Option.**

(A) For the sum of \$1,000 (the “Option Fee”), to be paid to Lessor by Lessee upon execution of this Lease, and other good and valuable consideration, Lessor hereby grants to Lessee the exclusive option, for a period of ninety (90) days from the date hereof

(the “**Initial Option Period**”), to lease the Leased Premises (hereinafter defined) on the terms and conditions set forth below in this Section 1 (the “**Option**”). The time during which the Option may be exercised may be extended for an additional 90 days upon written notification to Lessor by Lessee accompanied by the payment of an additional \$2,000 (the “**Additional Option Fee**”), delivered to Lessor prior to the end of the Initial Option Period.

(B) If the Additional Option Fee is not paid and timely written notice of the exercise of the Option is not given in the manner specified or permitted under Section 21 of this Lease, then the Option shall terminate and Lessor shall be entitled to retain all previously paid sums as full payment for the Option granted. Upon Lessee’s exercise of the Option, by giving timely written notice pursuant to Section 21, this Lease shall take effect pursuant to its terms.

(C) During the Initial Option Period and any extensions thereof, Lessee shall have the right to submit applicable local zoning applications [subject to the provisions of Section 6(F)] and to survey the Property and/or Leased Premises, conduct such investigations and perform such tests as it deems appropriate, including, but not limited to, environmental investigations and structural tests (and which Lessee, in its sole judgment, deems reasonable) to determine whether to exercise the Option and become bound by the terms of this Lease; provided, however, that to the extent that any such investigations and tests require the presence of persons or equipment on the Property or Leased Premises, or the disclosure to Lessee of confidential information, Lessee shall comply with all conditions and restrictions now or hereafter established by Lessor for access to the Property and Leased Premises and for maintaining confidentiality of information pertaining to the Property. Lessee shall, promptly following any investigations or tests, provide Lessor with copies of all test results and any reports or studies prepared in connection with any investigations or tests, including, but not limited to environmental investigations, radio frequency evaluations, property title reports, geotechnical and engineering reports, photo simulations and surface or subsurface surveys or investigations. All such copies shall become the property of Lessor.

(D) The Option hereby granted shall be assignable only to Lessee’s principal or parent company, any subsidiary or affiliate of its parent company or to any successor-in-interest

KAW Sub D, Map of Road

West Side D, KAW Sub D, Map of Road

or entity acquiring fifty-one percent (51%) or more of its stock or assets, as approved by American Water.

2. **Leased Premises.** Upon proper and timely exercise of the Option, Lessor will lease to Lessee and Lessee will lease from Lessor, on the following terms and conditions, that certain portion or portions of the Property as described in Exhibit 2, including portions of the surface of the Land and space on one or more Improvements (the "**Leased Premises**") and as depicted on a plat or sketch thereof attached hereto as Exhibit 2A. If the Property is held by Lessor pursuant to a ground lease, prime lease or other similar document which is not of record, Lessor shall provide a copy of such document to Lessee upon Lessee's request.

3. **Term and Term Extensions.**

(A) The term of this Lease shall be five (5) years ("Initial Term"), commencing on the date that notice of the exercise of the Option is given in the manner specified in Section 21 (the "**Commencement Date**").

(B) Lessee shall have the right to extend this Lease for up to four (4) additional terms of five (5) years each (each of the four additional terms being an "**Extended Term**") on the same terms and conditions except that the rent shall be increased as provided in Section 4 below; provided that at the end of the Initial Term or any prior Extended Term, Lessee is not then in default (beyond any applicable cure period) of any covenants, terms and conditions of this Lease. **In the absence of any default by Lessee, each Extended Term shall commence automatically at the end of the prior term unless Lessee gives Lessor written notice of Lessee's intention not to extend the term of this Lease at least ninety (90) days prior to the expiration of the then current term.**

4. **Fees.**

(A) Rent.

(1) The annual rental for the Initial Term is Twenty Four Thousand Dollars (\$24,000.00).

(2) The annual rental for each Extended Term shall be in an amount equal to one hundred fifteen percent (115%) of the annual rent for the immediately preceding term.

(3) The annual rental shall be paid in equal monthly installments, in advance and without any deduction, counterclaim or set off and shall be made payable to Lessor at the address set forth on Exhibit 3, or to any other person, firm or place as Lessor may from time to time designate in writing at least thirty (30) days in advance of any rental payment date.

(B) Consultant's Fees. Lessor has retained Tectonic Engineering & Surveying Consultants P.C. as a consultant to provide marketing and consulting engineering services in connection with the leasing of various sites for Telecommunications Purposes (hereinafter defined). Lessee hereby covenants that it shall pay to Tectonic all applicable fees imposed by Tectonic for services provided in connection with designing the Facilities and monitoring the construction of the Facilities on the Leased Premises. The list of fees are outlined in the American Water Program Management Services for Tectonic Engineering & Surveying Consultants P.C provided to Lessee at the time of application.

(C) Annual Access Fee. On the Commencement Date and thereafter on each anniversary of the Commencement Date during the Initial Term and all Extended Terms of this Lease, Lessee hereby covenants that it shall pay to Lessor a fee of Five Hundred Dollars (\$500.00) to reimburse Lessor for the estimated cost of providing security personnel to accompany Lessee's employees and agents on a reasonable number of periodic visits to the Leased Premises to service and maintain the Facilities.

(D) Additional Fees. Lessor shall not be required to make any expenditures in connection with this Lease or to make any repairs or improvements to the Leased Premises, other than such routine maintenance and repairs as may be necessary to ensure that the Improvements remain structurally adequate to support the Facilities (hereinafter defined) originally installed thereon. The parties agree that this is a net Lease intended to assure the rent reserved on an absolute net basis. In addition to the Rent reserved above, Lessee hereby covenants that it shall pay to the parties entitled thereto (or shall reimburse Lessor for the payment of) all property taxes, assessments, insurance premiums, maintenance charges, and any other charges, costs and expenses assessed against or pertaining to the Leased Premises and the Facilities (hereinafter defined) that arise, or increase, as a result of this Lease or any activities permitted hereunder, or that may be contemplated under any provisions of this Lease.

(E) Late Charge. Lessee acknowledges that if Lessee fails to deliver to Lessor the Rent payments or additional fees described above when due, that failure will cause Lessor to incur costs not contemplated in this Lease, the exact amount of which will be extremely difficult to ascertain. Those costs include, but are not limited to, processing and personnel costs. Accordingly, except as otherwise provided in Subsection (G) below, if any payment is not received by Lessor when due, Lessee shall pay Lessor a late payment charge equal to ten percent (10%) of the overdue payment. Lessee agrees that this late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of Lessee's late payment. Lessor's acceptance of a late charge shall in no event constitute a waiver by Lessor of Lessee's default for the overdue payment, nor prevent Lessor from exercising any of the other rights or remedies granted Lessor under this Lease, at law, or in equity.

(F) Interest. In addition to the late charges set forth in Subsection (E), if the Rent or any additional fees due under this Lease are not paid to Lessor within the time frames set forth therein, such fees shall commence to bear interest at the rate of ten percent (10%) per annum, from the date due until fully paid, except as otherwise provided in Subsection (G) below. Neither the accrual nor Lessee's payment of interest to Lessor shall be deemed to cure any default by lessee under this Lease.

(G) First Month's Rent. Notwithstanding the foregoing provisions of Subsections (E) and (F) of this Section 4, no late charge shall be assessed nor any interest accrued on the first monthly installment of the annual rental for the first year of the Initial Term of the Lease (the "First Month's Rent") unless the First Month's Rent remains unpaid (or is less than fully paid) more than fifteen (15) days after Lessee's receipt of a written notice of default. If Lessor has not received full payment of the First Month's Rent within fifteen (15) days of Lessee's receipt of a notice of default, a late charge shall then be applied to the overdue payment and interest shall also accrue on the overdue payment from the original due date thereof until fully paid. For all monthly installments of rent for all terms of this Lease other than the First Month's Rent, a late charge shall be assessed and interest shall commence accruing if the rent is not fully paid on or before the due date and Lessor shall have no obligation whatsoever to provide Lessee with any notification, written or otherwise, of such delinquent payment. Except as provided herein with regard to the First Month's Rent, neither the exercise by Lessor of its right to issue a notice of default pursuant to Section 26 of this Lease nor the payment by Lessee

of delinquent rent within fifteen (15) days of receipt of a notice of default shall relieve Lessee of its obligation to pay applicable late charges and interest.

5. **Access to Leased Premises; Utilities.**

(A) Lessor makes no warranty to Lessee regarding Lessee's rights of access to the Leased Premises to the extent that access requires passage over, through or across property not owned by Lessor. Lessor hereby grants to Lessee, to the extent it may lawfully do so, permission to make non-exclusive use of such rights of ingress and egress to the Property, if any, as Lessor may possess.

(B) Lessor acknowledges that in order to operate, maintain and repair or replace the Facilities, Lessee will require access to the Leased Premises on a regular basis during normal working days and times and also on an emergency basis at any time in the event of a service outage or other similar unforeseeable problem with the Facilities. Lessee acknowledges that Lessor's facilities may be both Critical Infrastructure and Public Service Facilities and that Lessor must take appropriate security measures to protect the public, its customers, and its property. "Critical Infrastructure" means public-water systems, including Lessor's, because the Federal Government has declared these systems to be critical infrastructure essential to the continued operation of the government and the nation. "Public Service Facilities" means those facilities that Lessor must maintain to provide retail water and wastewater service to the public, as authorized and regulated by public utility commissions, as part of Lessor's public-service obligation to provide safe and affordable water and wastewater service to the public. The parties agree to cooperate in good faith with each other to satisfy their respective needs and to ensure compliance by Lessor with all present and future laws and regulations concerning national security or public safety. Additional requirements, restrictions and limitations with regard to Lessee's access to the Leased Premises are set forth in Exhibit 4, attached hereto and incorporated herein. Lessee shall be bound by the requirements, restrictions and limitations set forth in the attached Exhibit 4 and such additional requirements as Lessor may hereafter reasonably request in writing.

(C) Lessor makes no representations as to the availability of electric power and other utility services for use by Lessee at or on the Leased Premises. However, to the extent that electric power and other utility services are currently provided to the Property in sufficient capacities to meet the current and foreseeable needs of all the current users of said services and the projected needs of Lessee, Lessor consents to the extension of any such utility services to the

Leased Premises for the use and benefit of Lessee. Lessor hereby further agrees, to the extent it may lawfully do so, to grant or consent to such reasonable utility easements or agreements as may be necessary to permit the delivery of said utility services to the Leased Premises. All utility services used by Lessee shall be obtained in the name of Lessee or Lessee's designee and Lessor shall in no way be responsible for any such utility services or the cost thereof; provided that if Lessee shall obtain water service from Lessor, Lessor and Lessee shall have the same responsibilities to each other with regard to said water service as exists between Lessor and its other water customers. Lessee shall have a separate electric service meter installed on the Leased Premises at its own expense to monitor its use of electricity.

(D) Lessor reserves the right from time to time to alter Lessee's route for pedestrian and vehicular access as well as the route for utility access to the Leased Premises to the extent that it passes on, over and through the Property; provided that access to the Leased Premises is not materially diminished or restricted, however if service is interrupted or the facilities are inoperable as a result of the relocation of the route for utility access, Lessee shall have the right to install a cell-on-wheels ("COW") granted under the provision of paragraph 9. (B).

6. Use of Leased Premises.

(A) Subject to the covenants, terms and conditions hereof, Lessee shall have the right to use the Leased Premises for Telecommunications Purposes, and for no other purposes whatsoever. As used in this Lease, the term "**Telecommunications Purposes**" means the construction, installation, operation, maintenance, repair, replacement, upgrade and removal of telecommunications fixtures consisting of such antennas, towers, masts, cables, wires and related equipment and appurtenances as are more fully described in Exhibit 5 hereto (the "**Facilities**").

(B) To the extent that any of the Facilities require protection from the elements, Lessee may construct or install on the Leased Premises a non-permanent cabinet, shed or other structure or protective enclosure ("**Equipment Shed**") suitable for its needs; provided, however, that the specifications of the Equipment Shed, including its location and the method and techniques for the installation thereof on the Leased Premises shall be subject to the prior review and written approval of Lessor. All cables or wires extending between the Equipment Shed and any Improvements must be buried underground in conduit. No ice bridges shall be permitted.

KY-AW Site ID: Mercer Road

Nexxel Site ID: KY343P Masterson Station

(C) The Facilities, and any additional or replacement equipment subsequently installed on the Leased Premises, whether or not fixed or attached to the Leased Premises or any improvements thereon, shall at all times remain the exclusive property of Lessee.

(D) If the existence on the Leased Premises or any of the Facilities present an increased risk of lightning strikes to the Property or the Leased Premises, Lessee shall take all reasonable and appropriate precautionary measures to ground such Facilities or otherwise protect against that risk.

(E) Lessee's use of the Leased Premises for Telecommunications Purposes shall not interfere in any way with the use of the Property or any equipment or device located thereon (or located elsewhere, but which can be shown to be affected by any equipment or device located thereon) by Lessor, or by any Other Tenants (as defined in Article 10) identified in the following list (hereinafter "Current Tenants"):

Kentucky American Water Company

T-Mobile (Bell South)

PowerTel

If Lessee's use of the Leased Premises causes, or is suspected of causing, interference, Lessee shall promptly investigate and eliminate such interference at its expense within twenty four (24) hours after receiving notice thereof; provided that the twenty four (24) hour time limit shall not apply to test periods where the source of interference is being determined for purposes of suppression. If Lessee fails or refuses to investigate the interference within said twenty four (24) hour period, or if Lessee has investigated and confirmed that the interference is related to its Facilities, but has taken no meaningful steps to eliminate the interference within said period, then Lessor or any affected Current Tenant may, but shall not be obligated to, conduct or perform an investigation as to the cause of the interference and take whatever steps may be reasonably necessary to cause the interference to cease. If the interference is not eliminated within the twenty four (24) hour period mentioned above, Lessee agrees to immediately suspend operations at the Leased Premises while any interference problems are studied further and a means found to eliminate them. If no acceptable means to eliminate the interference has been determined and implemented within ten (10) days of the receipt by Lessee of notice of such interference, this Lease may be terminated by either party by giving thirty (30)

days written notice to the other party. In no case shall standard maintenance equipment, water pumps and other mechanical equipment, office equipment, computer equipment, radio and telecommunication systems, and other similar equipment, devices, and systems used in connection with the primary businesses operated on the Property from time to time be deemed to interfere with Lessee's use of the Leased Premises. Lessor's sole liability to Lessee for action taken pursuant to this Section 6 shall consist of the value of any repairs made necessary by negligent acts of Lessor. In no event shall Lessor be liable for loss in value of Lessee's Facilities resulting from the depowering or removal of same and which is not the result of Lessor's negligence, or for any consequential or other damages to Lessee.

(F) Before the Facilities are installed on the Leased Premises and are put to their intended uses, Lessee shall obtain all of the certificates, permits and other approvals that may be required by any federal, state or local laws, rules or authorities. Lessor hereby grants Lessee the authority to apply for any such certificates, permits or approvals which require the consent of the owner of the Leased Premises; provided, however, that unless specifically authorized by a separate written document signed by a duly authorized officer of Lessor, Lessee shall have no authority to agree on Lessor's behalf to any conditions of such certificates, permits or approvals that would in any way affect the Property or Leased Premises or their use by anyone other than Lessee, or that would extend beyond the term(s) of this Lease. Lessor agrees to promptly consider any and all conditions sought by any governmental authority, and further agrees that its consent to any proposed conditions will not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, if one or more conditions are imposed on any such certificate, permit or approval that affect the Property or Leased Premises or their use by anyone other than Lessee or that extend beyond the term(s) of the Lease and Lessor objects to such condition(s), Lessee agrees to seek to have the condition modified by the applicable governmental authority. If any such condition is not modified or eliminated to the satisfaction of Lessor, Lessee agrees that it will not construct its Facilities. Lessee shall provide Lessor with a copy of all such required certificates, permits and approvals within ten (10) business days of receiving the same.

(G) Lessee covenants, represents and warrants that it will not cause or permit any solid or liquid waste, material or substance that is classified as toxic or hazardous under any federal, state or local law or regulation, to be transported to or from the Leased Premises or to be

used, generated or stored on the Leased Premises (except where the use, transportation and storage of such substances is in compliance with applicable law). Lessee further covenants, represents and warrants that it will not contaminate the Property (including the Leased Premises) with any such toxic or hazardous, waste, material or substance. Lessee shall indemnify Lessor, and hold it harmless, from all claims, demands, causes, losses, damages and expenses, including attorneys' fees, arising directly or indirectly from a breach of this covenant. This covenant shall survive and be enforceable and shall continue in full force and effect for the benefit of Lessor and its subsequent transferees, successors and assigns and shall survive the term of this Lease and any renewal periods thereof.

(H) During all terms of this Lease, Lessee shall remain in compliance with all applicable laws and regulations affecting the Leased Premises and Lessee's activities thereon.

7. **Installation, Operation and Maintenance of Facilities.**

(A) Lessor and Lessee agree that time is of the essence regarding performance under this Lease.

(B) Lessee shall maintain all Facilities in proper and safe operating condition and presentable appearance, as determined by Lessor in its sole discretion.

(C) The plans and specifications of the Facilities to be initially installed on the Leased Premises, including the type, size, color(s) of coatings or finish, mounting height and location, power requirements, operating frequencies, and the like, together with the proposed methods and techniques for the installation of the Facilities on the Leased Premises (collectively the "Plans and Specifications") shall be submitted, in writing, to Lessor or to any agent designated by Lessor for prior review and written approval. Prior review and written approval by Lessor shall also be required for any subsequent changes or additions to the Facilities; provided, however, that any changes or additions to equipment located entirely within the Equipment Shed will not require Lessor's prior approval unless such changes or additions have the potential to cause interference with either (i) access to, and/or use of, the Property by Lessor or Other Tenants (hereinafter defined) or (ii) the operation of any equipment (other than the Facilities) located on the Property. Lessor, or its designated agent, will complete its reviews of the Plans and Specifications and either approve or disapprove the same, in whole or in part, within fifteen (15) business days of their submission. If Lessor or Lessor's agent fails to respond to Lessee within fifteen (15) business days of submission of the Plans and Specifications, they shall be deemed to have been approved as submitted.

(D) Lessor reserves the right to require that Lessee provide Lessor with a written report of a structural analysis performed, at Lessee's expense, by a professional engineer who is licensed in the state in which the Property is located and is acceptable to Lessor prior to the installation of any Facilities on the Improvements situated on the Property. If required by Lessor, the structural analysis shall determine if the Improvements can accommodate the Facilities proposed to be installed thereon. If structural improvements are required prior to installation of the Facilities, all costs associated therewith shall be borne by Lessee.

(E) Lessee shall not use any methods, techniques or materials in the installation, operation or maintenance of the Facilities that will (i) cause or contribute to any corrosion or other damage to the Property (including all paint or other coatings) or (ii) cause any interference with Lessor's periodic future maintenance of such Property.

(F) The installation and maintenance of the Facilities and any other equipment installed at any time during the term(s) of this Lease shall be performed by qualified and experienced technicians and shall comply with all prudent safety measures, whether or not required by law. In order to ensure proper security of the Property, Lessor shall have the right, but no obligation, to review and approve all of Lessee's agents, employees, contractors and subcontractors and the agents and employees of contractors and subcontractors who may have or be given access to the Property or the Leased Premises. Specific procedures for obtaining security clearances are set forth on the attached Exhibit 6.

(G) All welding, cutting and coating work required for the installation of the Facilities shall conform to the applicable requirements of AWWA Standard D100, as amended, supplemented or superceded from time to time.

(H) All electrical work to be performed on the Leased Premises shall be in accordance with the then applicable National Electric Code and all applicable local codes. All wiring attached to the outside of any Improvements shall be installed in rigid steel conduit or other conduit approved by Lessor.

(I) The coatings and surface preparations used in the repair of existing coatings shall be approved by Lessor. The existing coatings shall be tested for the presence of lead and other hazardous substances, as defined in The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et. seq. ("CERCLA") and regulations

interpreting said Act. All coatings shall also comply with all requirements under CERCLA. The cost of all abatement and containment procedures shall be borne by Lessee.

(J) All antennas must be identified by a bronze tag fastened securely to its bracket on the Improvements and each transmission line is to be tagged at the point where the conduit enters Lessee's Equipment Shed. Lessee shall install in a readily visible location on or within the Leased Premises, a sign (approximately two feet by two feet) that shall contain the name of Lessee or its designee and an emergency telephone number. The size, design and location of the sign is subject to Lessor's prior approval. With the exception of any signage or identification required under the terms of this Lease required by law or as otherwise expressly authorized by Lessor, Lessee shall not place any signage, logos or graphics on the Leased Premises, Facilities or Property.

(K) Lessee shall inspect the Facilities annually, or more frequently as needed, and shall promptly take any remedial actions necessary to correct any deficiencies revealed by such inspections so as to maintain the structural integrity and safety of the Facilities. The duty to take remedial actions shall be in addition to and not in lieu of Lessee's indemnification obligations contained herein. Within thirty (30) days following each inspection, Lessee shall provide Lessor with a written inspection report detailing any deficiencies found and the remedial actions taken.

(L) If Lessee, its agents, employees, or the Facilities cause damage, directly or indirectly, to the Property or Leased Premises, or to any property of a third party that is situated on the Property, Lessee agrees to repair such damage with reasonable promptness (commensurate with the nature and severity of the damage and the degree of danger presented) and at no cost to Lessor. If Lessee fails to do so, Lessor or any affected third party shall have the right to repair said damage and invoice Lessee for said costs.

(M) Unless impracticable or impossible under then existing circumstances, Lessee shall at its sole expense enclose its Equipment Shed and other ground-level Facilities with a security fence, of a type and in a location and configuration approved by Lessor

(N) All installation and operation of the Facilities shall comply with all applicable rules and regulations of the Federal Communications Commission, the Federal Aviation Administration, and applicable radio regulations. Lessee shall take no action which shall cause either the Facilities or Improvements to fall out of compliance with any applicable law or regulation. Furthermore, Lessee shall be responsible for fulfilling any obligations which may

arise or be imposed upon Lessor as a result of Lessee's actions on or involving the Property or Leased Premises.

(O) Lessor assumes no responsibility for licensing operations or maintenance of the Lessee Facilities.

(P) Lessee acknowledges that its facilities may be located on land that supports Critical Infrastructure or Public Service Facilities. Lessee will install, operate and maintain its facilities so as not to interfere with Lessor's operation and maintenance of Critical Infrastructure and Public Service Facilities, do nothing to jeopardize Lessor's compliance with all present and future laws and regulations concerning national security or public safety, and in the event of a threat to national security or public safety, will fully cooperate to alleviate that threat.

8. **RESERVED**

9. **Removing Improvements from Service.**

(A) It is recognized by the parties that from time to time during the term(s) of this Lease, it may be necessary to remove one or more Improvements from service either to permit repairs, repainting or other maintenance by Lessor or in order to facilitate the installation, maintenance, repair or removal of Facilities by Lessee. If it is necessary for the Facilities to be removed in connection with work to be done on the Property by Lessor, Lessor shall give Lessee as much notice as reasonably possible, but in any event other than an emergency, not less than ninety (90) days advance written notice of the date by which such Facilities must be removed from the Property. However, if the need to request removal of the Facilities arises due to an emergency or other unforeseeable circumstances that do not permit a minimum ninety (90) day notice, Lessor shall give Lessee as much notice as is practicable under the circumstances and the inability to give a minimum of ninety (90) days notice under those circumstances shall not be deemed a breach of this Lease. The notice shall also advise Lessee of the estimated period of time that the Improvements will be out of service. Upon receiving such notice, Lessee shall promptly remove, secure, relocate, or otherwise protect its Facilities during the entire duration of Lessor's maintenance activities. During the Initial Term of this Lease, Lessor shall promptly reimburse Lessee for all reasonable and necessary costs incurred in removing, securing, relocating, or protecting Lessee's Facilities undertaken at Lessor's request. Thereafter, any and all such costs shall be borne solely by Lessee.

(B) Lessee shall have the right to install a cell-on-wheels (“COW”) or other similar temporary facilities on the Property, Leased Premises or on any other available and suitable property of Lessor until the Facilities are restored to normal operations; provided that sufficient space for the COW or other temporary facilities is reasonably available on the Property, Leased Premises or other property of Lessor. Lessee agrees to obtain all permits required for the use and placement of all temporary equipment, including a COW, on the Property, Leased Premises or other property of Lessor prior to placing it into service. If the Facilities are removed from service at Lessor’s request and a COW or other temporary facilities cannot be installed on the Property, Leased Premises or other available and suitable property of Lessor, the rent otherwise due hereunder shall be abated for the period from the date that the Facilities were removed from service through a date ten (10) days after Lessee received notice from Lessor that the Facilities may be reinstalled on the Leased Premises. All temporary facilities shall be promptly removed by, and at the expense of, Lessee following reinstallation of the Facilities on the Leased Premises.

(C) If it is necessary for an Improvement to be removed from service to permit the installation, maintenance, repair or replacement of any of the Facilities mounted thereon or affixed thereto, the time or times when the Improvement is removed from, and subsequently restored to, service will be coordinated between Lessor and Lessee. Lessee hereby acknowledges that Lessor’s public service obligations are paramount and these obligations may severely limit Lessor’s flexibility in taking an Improvement out of service. All costs of taking an Improvement out of service at Lessee’s request, including, but not limited to, the cost to inspect and prepare for removal from service, preserve while out of service, and subsequently restore to service shall be borne by Lessee.

10. **Other Tenants.** Lessor may have heretofore entered into, or may hereafter enter into, a lease agreement with another telecommunications company for rights, similar to those granted herein, to install, operate, maintain, remove and replace an antenna and related equipment on the Property. This Lease does not in any way limit or restrict Lessor’s right to enter into future agreements with other tenants, including other providers of telecommunications services, to occupy other portions of the Property, provided that such future agreements contain terms prohibiting any future tenants from causing interference with the operations of any Current Tenants. As used in this Lease, the term “**Other Tenants,**” whether singular or plural, shall mean all tenants of the Property other than Lessee, regardless of whether the agreement with any Other Tenant is dated before or after this Lease.

11. **Taxes.**

(A) Lessee shall timely pay when due all taxes, assessments and other governmental charges that Lessee is legally obligated to pay arising in any way from or as a result of this Lease, Lessee's use of the Leased Premises for Telecommunications Purposes or the presence or operation of the Facilities on the Leased Premises. Lessee shall also be responsible for, and shall promptly reimburse Lessor for the payment of, any taxes, assessments and other governmental charges or any increase therein that Lessor is legally obligated to pay and which arises or increases in any way from or as a result of this Lease, Lessee's use of the Leased Premises for Telecommunication Purposes or the presence or operation of the Facilities on the Leased Premises. Lessee will be entitled to appeal the assessment, to the taxing division office that made said assessment, of any taxes or fees allocated to it under this paragraph. Lessor agrees that it will reasonably cooperate, at Lessee's expense, with Lessee's efforts to prosecute such an appeal. Notwithstanding the foregoing, Lessee shall not be obligated to reimburse Lessor for any income tax payable by Lessor on the rent or other fees received from Lessee.

(B) Lessee and Lessor stipulate that, unless otherwise provided herein, the rental rights herein granted relate to real property.

12. **Insurance.**

(A) At no expense to Lessor, Lessee shall (i) obtain and keep in force during the term of this Lease, and any renewals or extensions hereof, and (ii) require its contractors and subcontractors to obtain and keep in force during the terms of their respective contracts, the following minimum insurance limits and coverages. The insurance coverage limits stated below are minimum coverage requirements, not limitations of liability, and shall not be construed in any way as Lessor's acceptance of the responsibility of the Lessee. Lessor, from time to time during the Initial Term and any Extended Term of this Lease, shall have the right to require the Lessee to increase the following coverages to commercially reasonable levels:

- 1. **Commercial General Liability:** \$1,000,000 per occurrence
 Combined Single Limits
 \$1,000,000 General Aggregate
 \$1,000,000 Products and Completed
 Operations Aggregate

Occurrence form including Premises and Operations Coverage, Products and Completed Operations, Coverage for independent contractors, Personal Injury Coverage and Blanket Contractual Liability. Contractor's Protective Liability if the

Contractor subcontracts to another all or any portion of the Work. Completed Operations shall be maintained for a period of three (3) years following Final Completion.

2. **Workers Compensation:**

- A. Applicable Federal or State Requirements: Statutory minimum
- B. Employer’s Liability: Each Accident \$1,000,000
Policy Limit – Disease \$1,000,000
Each Employee – Disease \$1,000,000
- C. Voluntary workers compensation insurance covering all employees not subject to the applicable workers compensation act or acts.

3. Automobile Liability (including owned, hired, borrowed and non-ownership liability)

Bodily Injury and Property Damage \$1,000,000 each occurrence
Combined Single Limits

4. Umbrella Liability in excess of Employer’s Liability, General Liability and Automobile Liability (no more restrictive than the underlying insurance), with limits of \$4,000,000.

All Commercial General Liability including completed operations-products liability coverage and Automobile liability insurance shall designate Lessor as Additional Insured. All such insurance should be primary and non-contributory, with respect to Lessee’s indemnity obligations under this Lease. In addition to the liability limits available, such insurance will pay on behalf or indemnify Lessor for defense costs with respect to Lessee’s indemnity obligations under this Lease. Any other coverage available to the Lessor applies on a contingent and excess basis with respect to Lessee’s indemnity obligations under this Lease. Such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive its rights of subrogation against Lessor.

Lessee, its contractor and subcontractors shall furnish prior to the start of work, certificates or adequate proof of the foregoing insurance including, if specifically requested by Lessor, copies of the endorsements and insurance policies naming Lessor as an Additional Insured. Current certificates of insurance shall be provided prior to the commencement of work and be maintained until completion of the contract. Lessor shall be notified in writing at least thirty (30) days prior to cancellation of or material change in a policy.

Carriers providing coverage will be rated by A.M. Best with at least an A-rating and a financial size category of at least Class VII. Such cancellation or material alteration shall not relieve Lessee of its continuing obligation to maintain insurance coverage in accordance with this Lease.

(B) If Lessee shall fail to procure and maintain said insurance, Lessor, upon written notice, may, but shall not be required to, procure and maintain same, but at the expense of Lessee. In the alternative, Lessor may declare a default hereunder and, unless such default is timely cured, terminate the Lease. Unless and until the default is cured, neither Lessee nor its servants, employees or agents will be allowed to enter upon the Leased Premises.

(C) The insurance requirements set forth in this Section 12 shall be maintained by Lessee for a period of up to thirty (30) days following the expiration or termination of this Lease, during which the Facilities shall be removed from the Leased Premises as required by Section 20 of this Lease.

13. **Indemnification.**

(A) To the fullest extent permitted by laws and regulations, Lessee shall defend, indemnify and hold harmless Lessor and all of Lessor's affiliated companies and the agents, officers, directors and employees of each and any of them from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court and arbitration or other dispute resolution costs) arising out of or resulting from the use or occupancy of the Leased Premises by Lessee, its servants, employees or agents, provided that any such claim, damage, loss or expense (i) is attributable to bodily injury, personal injury, sickness, disease or death, or to injury to or destruction of tangible, intangible, or intellectual property, including the loss of use resulting therefrom and (ii) is caused in whole or in part by any negligence, act or omission of Lessee, its servants, employees or agents, or anyone for whose acts Lessee may be liable, regardless of whether or not caused in part by any negligence, act or omission of a person or entity indemnified hereunder or whether liability is imposed upon such indemnified party by laws and regulations regardless of the negligence of any such person or entity.

(B) In any and all claims against Lessor, its affiliated companies and the agents, officers, directors or employees of each or any of them by any employee (or the survivor or personal representative of such employee) of Lessee, its servants, employees or agents, any person or organization directly or indirectly employed by any of them or anyone for whose acts

any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Lessee, its servants, employees, or agents, or other person or organization under workers' compensation acts, disability benefits acts or other employee benefits acts.

(C) If any provisions of this Section 13 concerning indemnification is prohibited or unenforceable by applicable law, then this Section 13 shall be reformed and amended as may be required to provide the parties indemnified hereunder with the fullest extent of indemnification as is permitted under applicable law.

(D) In addition to any other indemnification contained herein, Lessee agrees to defend, indemnify and hold Lessor harmless from any claims relating to or arising from radio frequency interference, radio frequency radiation, electromagnetic fields or any other interference, damage or injury alleged to arise from or be related to Lessee's use and occupancy of the Leased Premises. By giving this indemnification, Lessee does not acknowledge or recognize the validity of radio frequency claims as they apply to communications facilities.

(E) Lessee has the express obligation to indemnify and defend Lessor if any equipment installed, maintained or operated by Lessee causes Lessor's property to be in violation of any federal, state, county or local rules or laws. Accordingly, if Lessee's equipment shall cause Lessor to violate any such rules or laws, Lessor may, at its option, terminate the Lease immediately.

(F) Except for repair costs under the circumstances described in Section 6(E), Lessor shall not be responsible for any loss or damage sustained to Lessee's Facilities unless such damage arises directly from the intentional acts or omissions of Lessor, its employees or agents.

(G) The obligations created in this Section 13 shall survive the expiration and/or termination of the Lease and be enforceable by the respective parties.

(H) Lessee expressly assumes the risk of all activities, dangerous or otherwise, arising pursuant to this Lease.

14. **Liens.**

(A) The Property, including the Leased Premises, are subject to the lien of that certain Indenture of Mortgage dated as of May 1, 1968 by and between Lexington Water Company (n/k/a Kentucky American Water Company and The Fidelity Bank, as Trustee, as supplemented and amended (the “**Indenture**”). Lessee covenants and agrees that it shall not undertake or permit any activities on or concerning the Leased Premises which would cause Lessor to be in default of the Indenture.

(B) Lessee covenants and agrees that it shall not permit any mechanic’s, laborer’s, materialman’s, statutory, tax or other lien to arise or be perfected and remain on the Property or Leased Premises, or any part thereof or on any rental payments due hereunder and shall indemnify, defend and hold Lessor harmless from and against any such lien; provided, however, that nothing contained in this Section 14 shall be deemed to require Lessee to pay or obtain the release of any such lien so long as Lessee is in good faith contesting the validity of such lien or causing its validity to be contested in good faith by others.

(c) It is the express intent of both parties to this Lease that neither party has any lien or security interest whatsoever in any personal property of the other party, and, to the extent that any applicable statute, code, or law grants either party, any lien or security interest, that party hereby expressly waives any rights thereto.

15. **Assignment.** Lessee may not assign, or otherwise transfer all or any part of its interest in this Lease or in the Leased Premises without the prior written consent of Lessor; provided, however, that if Lessee is not then in default hereunder, Lessee may assign its interest to its parent company, any subsidiary or affiliate of it or its parent company or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets. Upon assignment, Lessee shall be relieved of all future performance, liabilities and obligations under this Lease, provided that the assignee assumes all of Lessee’s obligations herein. Lessee shall give Lessor written notice of any assignment of this Lease within ten (10) days thereof, together with a copy of the document effecting such assignment.

Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Lease to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations

KY-AW Site ID: Mercer Road

Nextel Site ID: KY343F Masterson Station

under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof. Lessee shall give Lessor written notice of any assignment of this Lease within ten (10) days thereof, together with a copy of the document effecting such assignment.

Lessor may assign this Lease, which assignment may be evidenced by written notice to Lessee within ten (10) days of said assignment, provided that the assignee assumes all of the Lessor's obligations herein. This Lease shall run with the Property and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives, heirs and assign.

16. **Subleasing.**

(A) The Leased Premises may not be sublet by Lessee without the prior written consent of Lessor, which consent shall not be unreasonably denied. The approval by Lessor of any sublease shall not act to release Lessee from any of its obligations under this Lease.

(B) If a sublease is approved in writing by Lessor, Lessee shall be obligated to pay to Lessor an additional monthly premium in the amount of 50% of the monthly rental payable hereunder, such premium being in addition to the regular monthly rental due and owing hereunder.

17. **Termination.** Except as otherwise provided herein, this Lease may be terminated as follows:

- (A) **By Lessor:**
- (1) Upon ninety (90) days prior written notice in the event Lessor determines that it has a need for the use of the Leased Premises for public utility purposes that would be precluded, unduly restricted or otherwise adversely affected by the continued existence of the Facilities or if Lessor determines that the Improvements should be dismantled or demolished to permit the Land to be used for other purposes related to Lessor's public utility business. If Lessor issues a notice of termination under this Section 17(A)(1), Lessor shall use its best efforts to make available to Lessee an alternate site, owned by Lessor and suitable to Lessee, for the installation of the Facilities. If a suitable alternate site is identified, Lessee shall promptly undertake to install such Facilities on the alternate site as

will permit it to remove the Facilities from the Leased Premises, all such installation and removal of Facilities being at Lessee's sole cost and expense. Upon completion of the installation of the Facilities at the alternate location, the Facilities at the Leased Premises shall be promptly removed therefrom. Concurrently therewith, this Lease shall be revised as necessary to accurately describe the alternate site and the Facilities located thereon and this Lease shall not terminate, but shall continue in full force and effect with regard to the alternate site the same as if this Lease had originally applied thereto. If Lessee does not wish to install the Facilities at the alternate site, this Lease shall terminate.

(2) Upon failure to cure default in the payment of rent or other fees or charges payable hereunder, within twenty (20) days following issuance of a written notice of default.

(3) Upon twelve (12) months' prior written notice if Lessor seeks to redevelop the Land in a manner inconsistent with the continued existence of the Facilities. In the event Lessor issues a notice of termination under this Sub Section 17(A)(3), Lessor shall use its best efforts to make available to Lessee an alternate site, owned by Lessor and suitable to Lessee, for the installation of the Facilities. If a suitable alternate site is identified, Lessee shall promptly undertake to install similar Facilities on the alternate site as will permit it to remove all Facilities from the Leased Premises. Upon completion of the installation of similar Facilities at the alternate location, the Facilities at the Leased Premises shall be promptly removed therefrom. Concurrently therewith, this Lease shall be revised as necessary to accurately describe the alternate site and the similar Facilities located thereon and this Lease shall not terminate, but shall continue in full force and effect with regard to the alternate site the same as if the Lease had originally applied thereto. If Lessee does not wish to install similar Facilities at the alternate site, it shall have the option of continuing to make all authorized uses of the Leased Premises under the terms of this Lease; provided, however, that in that event, Lessee shall compensate Lessor for either the loss in potential development value of the Property or any costs

associated with the continued existence of the Facilities on the Leased Premises, at Lessor's election.

Lessor's right hereunder to terminate the Lease for redevelopment purposes may not be exercised during the Initial Term of this Lease, nor more than once during the entire term of this Lease (including any Extended Term).

- (B) By Lessee:
- (1) Upon ten (10) days' prior written notice if the Leased Premises are damaged or destroyed to an extent which prohibits or materially interferes with Lessee's use thereof.
 - (2) Upon ninety (90) days prior written notice to Lessor, if Lessee is unable to obtain, or maintain, any required approval(s) or the issuance of a license or permit by any agency, board, court or other governmental authority necessary for the construction or operation of the Facility as now and hereafter intended by Lessee despite Lessee's good faith efforts to obtain or maintain the same; or if Lessee determines in its sole discretion that the cost of obtaining or retaining the same is commercially unreasonable.
 - (3) Upon ninety (90) days prior written notice to Lessor during any Extended Term (but not during the Initial Term) and the payment concurrently with the issuance of such notice of a termination fee in an amount equal to 6 months rent at the then current monthly rental; provided that Lessee shall not be in default under the terms of the Lease either at the time of issuance of the notice or at any time during the subsequent 90 days of the remaining lease term and; provided further, that all Facilities are removed within thirty (30) days of the termination of the Lease as provided in Section 20 hereof.
- (C) By Either Party:
- (1) Upon failure to cure any default of any covenant or term of the Lease (other than the payment of rent) within thirty (30) days following the defaulting party's receipt of a written notice of default by the non-defaulting party.

18. **Subordination, Attornment and Estoppel.**

(A) This Lease shall be subject and subordinate at all times to (i) all ground leases or underlying leases that may now exist or hereafter be executed affecting the Property, and (ii) the lien of any mortgage or deed of trust or other security instrument or encumbrance which

may now exist or which may at any time hereafter be made upon the Property or upon Lessor's interest therein. This provision shall be self operative, and no further instrument of subordination shall be required to effect the subordination of this Lease. Nonetheless, in confirmation of such subordination, Lessee shall execute and deliver such further instruments subordinating this Lease to any such ground lease or underlying lease or to the lien of any such mortgage or deed of trust or any other security device or encumbrance as shall be desired by any ground lessor, mortgagee or secured party.

(B) If Lessor's interest in the Leased Premises shall be acquired by any ground lessor, mortgagee or other secured party, or if Lessor's interest in the Leased Premises shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage, deed of trust or other security device covering the Leased Premises or in the event that a conveyance in lieu of foreclosure is made for any reason, Lessee shall be bound to Lessor's successor in interest at successor's option, under the terms, covenants and conditions of this Lease for the remaining Term, including any extensions or renewals, as the Lessor under this Lease, and, if requested by such successor in interest, Lessee agrees to attorn to the successor in interest as its Lessor.

(C) The holder of any mortgage, deed of trust or security instrument encumbering the Property shall have the right, unilaterally, at any time to subordinate fully or partially its mortgage or deed of trust or other security instrument to this Lease on such terms and subject to such conditions as such holder may consider appropriate in its discretion. Upon request Lessee shall execute and deliver an instrument confirming any such full or partial subordination.

(D) Lessee shall, within fifteen (15) days following written request by Lessor, execute and deliver to Lessor an estoppel certificate, in a form submitted to Lessee by Lessor, certifying that this Lease is unmodified and in full force and effect or, if this Lease has been modified, attaching a copy of the modification and certifying that this Lease, as so modified, is in full force and effect and the date to which the rent and other charges are paid in advance, if any; acknowledging that there are not, to Lessee's knowledge, any uncured defaults on the part of the Lessor or stating the nature of any uncured defaults; certifying the current annual rent amount; and certifying to such other information as Lessor may reasonably request. If Lessee fails to execute and return the estoppel certificate within such fifteen (15)-day period, the facts and figures set forth in the estoppel certificate submitted by Lessor to Lessee shall be deemed to be true and Lessor or its mortgagees, lenders, or prospective investors or purchasers shall have the right to rely on that information.

19. **Condemnation.**

(A) If all or a portion of the Leased Premises is taken or condemned for a public or quasi-public use (a sale in lieu of or in settlement of condemnation shall be deemed a taking or condemnation for purposes of this Lease), to the extent that Lessee's use is deemed to be destroyed, this Lease shall terminate as of the date title to the Leased Premises vests in the condemnor and the rent shall be apportioned and paid in full by Lessee to Lessor to that date and neither party shall thereafter have any liability hereunder.

(B) The parties will each have such rights as allowed or recognized by law to pursue an award of damages for their respective property and property rights taken, or threatened to be taken, by condemnation.

(C) Lessee shall have the right and duty to remove the Facilities prior to the date title to the Leased Premises vests in the condemnor.

20. **Surrender/Holding Over/Removal.**

(A) Within thirty (30) days following the expiration or termination of the Lease, the Lessee shall voluntarily surrender possession of the Leased Premises and shall remove all of the Facilities from the Leased Premises and the Property unless and to the extent otherwise agreed in writing by Lessor. Upon removal of the Facilities, Lessee shall restore the Leased Premises to the condition that existed on the Commencement Date, reasonable wear and tear, loss of trees or shrubs necessary to permit installation or removal of the Facilities and loss by casualty or other cause beyond Lessee's control, excepted. If Lessee fails or refuses to remove the Facilities within the aforesaid thirty-day period, Lessor may remove and dispose of the Facilities at Lessee's expense. Except for trees and shrubs as provided above, Lessee shall, at its sole cost and expense, repair any damage to the Property, including the Leased Premises, caused by removal of the Facilities.

(B) If Lessee, or any party claiming by, through or under Lessee, remains in possession of the Leased Premises after expiration or earlier termination of this Lease, Lessee shall be deemed to be occupying the Leased Premises as a tenant at the sufferance of Lessor, subject to all of the provisions of this Lease, except that for each month or partial month in which Lessee holds over, the Rent for such month or portion thereof shall be one hundred fifty percent (150%) of the amount of the Rent in effect during the last month of the Term of this

Lease without apportionment for any partial month. Additionally, Lessee agrees to indemnify and hold harmless Lessor for any and all loss, damage, cost, expense and liability (including, without limitation, attorneys' fees, court costs and consequential damages) incurred by Lessor in connection with Lessee's holding over at the Leased Premises. No provision in this Section 20 shall: (a) be deemed to be a consent by Lessor to any holding over by Lessee; (b) preclude or exclude Lessor from exercising its right of re-entry; or (c) be deemed to be a waiver of any other rights or remedies which may be available to Lessor hereunder, under any ground lease or underlying leases then in effect.

21. **Notice.** "Notice" means any notice, demand, request, or other communication or document to be provided under this Lease (including the Option) to either party. All notices shall be in writing and shall be given to the party at its address set forth in Exhibit 3 or such other address as a party may later specify for that purpose by written notice to the other party. Each notice shall, for all purposes, be deemed received and effective:

- (a) If hand delivered to a party against receipted copy, when the copy of the notice is acknowledged by the receiving party or its authorized agent by signing or initialing the same;
- (b) If given by a nationally recognized and reputable overnight delivery service, one (1) business day after it is deposited with the delivery service; or
- (c) If given by certified mail, return receipt requested, postage prepaid, two (2) business days after it is deposited in the United States mail.

22. **Governing Law.** This Lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the state in which the Property is located.

23. **Binding on Successors.** All of the terms and conditions contained herein, and any amendments thereto, shall apply to and bind the Lessor and Lessee and their respective successors and assigns, but this provision shall not permit an assignment by Lessee of this Lease, except as expressly provided in Section 15 hereof.

24. **Safety and Protection.** Lessee shall comply, and shall require its contractors, subcontractors and agents to comply, with all applicable local, state or federal laws and regulations concerning the safety of persons or property. In addition, Lessee shall take or cause

to be taken all necessary precautions, whether or not required by law or regulation, as may be necessary or prudent to prevent damage, injury or loss to:

- (a) all persons working on or visiting the Property (including the Leased Premises), irrespective of the employer of such persons;
- (b) all of the Improvements and Facilities on the Property (including the Leased Premises); and
- (c) all other property of any kind or nature, regardless of the ownership thereof, on or adjacent to the Property (including the Leased Premises).

25. Environmental Laws.

(A) Lessee represents, warrants and agrees that it will conduct its activities on the Leased Premises in compliance with all applicable Environmental Laws (hereinafter defined). Lessee agrees that it will not use, generate, store or dispose of any Hazardous Substance (hereinafter defined) on, under, about or within the Premises (including the Leased Premises), in violation of any law or regulation.

(B) To the fullest extent permitted by law, Lessee hereby agrees to indemnify, hold harmless, protect, and defend Lessor and Lessor's agents, affiliates, employees, contractors and representatives from and against any and all claims, causes of action, liabilities, losses, damages whether foreseeable or unforeseeable, arising directly or indirectly out of the presence, use, generation, storage, treatment, on or off-site disposal, or transportation of Hazardous Substances on, into, from, under, or about the Leased Premises or the Property by Lessee or Lessee's agents, employees, contractors or representatives, specifically including, but not limited to, the costs of any required or necessary repair, restoration, cleanup (including, but not limited to, the costs of investigation and removal of Hazardous Substances), or detoxification of the Leased Premises and/or the Property and the preparation of any closure or other required plans, whether or not such action is required or necessary during the term or after the expiration or termination of this Lease. The provisions of this Section 25 shall survive the termination, cancellation, or expiration of this Lease.

(C) As used in this Lease, "**Environmental Laws**" means all federal, state and local environmental laws, rules, regulations, ordinances, judicial or administrative decrees, orders, decisions, authorizations or permits pertaining to the protection of human health and/or the environment, including, but not limited to, the Federal Water Pollution Control Act, 33 U.S.C. §§ 6901, et seq., the Clean Air Act, 42 U.S.C. §§ 7401, et seq., the Federal Water

Pollution Control Act, 33 U.S.C. §§ 1251, et seq., the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 1101, et seq., the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. §§ 2601, et seq., the Oil Pollution Control Act, 33 U.S.C. §§ 2701, et seq., and (state laws), or any other comparable local, state or federal statute or ordinance pertaining to the environmental or natural resources and all regulations pertaining thereto. This definition includes all federal, state or local land use laws dealing with environmental sensitivity including, but not limited to, laws regarding wetlands, steep slopes, aquifers, critical or sensitive areas, shorelines, fish and wildlife habitat, or historical or archeological significance.

(D) As used in this Lease, “**Hazardous Substance**” means any hazardous or toxic substances as defined by the Comprehensive Environmental Response, Compensation and Liability Act, as amended from time to time; any hazardous waste as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time; any and all material waste or substance defined as hazardous pursuant to any federal, state or local laws or regulations or order; and any substance which is or becomes regulated by any federal, state or local governmental authority; any oil, petroleum products and their byproducts.

26. **Default and Right to Cure.**

(A) The following will be deemed a default by Lessee and a breach of this Agreement (i) non-payment of Rent if such Rent remains unpaid for more than twenty (20) days after receipt of written notice from Lessor of such failure to pay; or (ii) Lessee’s failure to perform any other term or condition under this Agreement within thirty (30) days after receipt of written notice from Lessor specifying the failure. No such failure, however, will be deemed to exist if Lessee has commenced to cure such default within such period and provided that such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessee.

(B) The following will be deemed a default by Lessor and a breach of this Agreement. Lessor’s failure to perform any term, condition or breach of any warranty or covenant under this Agreement within thirty (30) days after receipt of written notice from Lessee specifying the failure. No such failure, however, will be deemed to exist if Lessor has commenced to cure the default within such period and provided such efforts are prosecuted to completion with reasonable diligence. Delay in curing a default will be excused if due to causes beyond the reasonable control of Lessor.

27. **Headings.** The headings of the numbered sections of this Lease are for convenience of reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such sections.

28. **Severability.** If any section, term or provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be held or determined to be invalid or unenforceable, the remainder of said section, term or provision of the Lease or the application of same to parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, term or provision of this Lease shall be valid or enforceable to the fullest extent permitted by law.

29. **Cumulative Rights.** All rights, options and remedies of Lessor under the Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all of such remedies. Nothing in this Section 29 shall be deemed to limit or otherwise affect Lessee's indemnification of Lessor pursuant to the terms of the Lease.

30. **Further Assurances.** Each of the parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence or confirm this Lease or any other agreement contained herein in the manner contemplated hereby.

31. **Waivers.** No waiver by Lessor or Lessee of any breach or provision contained herein shall be construed to be a waiver of any other breach or provision and shall not be construed to be a waiver of any requirements that Lessee seek future written approval by Lessor.

32. **Lease Not Recorded.** The parties hereto covenant and agree that this Lease shall not be voluntarily placed of record in the public land records of the city, county or other political subdivision in which the Property is located, or in any other public record. The parties further agree that in the event this Lease is placed of record in the aforesaid land records or in any other such public record, this Lease shall automatically terminate upon notice of such recording being given by either party to the other. Notwithstanding the foregoing, Lessee may record a Memorandum of Lease in a form acceptable to Lessor.

33. **Counterparts.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

34. **Entire Agreement.** It is understood and agreed that this Lease contains all agreements, promises and understandings between Lessor and Lessee and that no verbal or oral agreements, promises or understandings shall be binding upon either Lessor or Lessee in any dispute, controversy or proceeding at law, and any addition, variation or modification to this Lease shall be void and unenforceable unless made in writing and signed by the authorized representatives of the parties hereto.

35. **Conditions Precedent.** This Lease is expressly conditioned on approval by Lessor's Board of Directors and by any governmental body or agency that regulates Lessor and from whom Lessor may be required to obtain approval (collectively "Lessor Required Approvals"). If not previously obtained, Lessor agrees to use its best efforts to obtain such approvals as rapidly as reasonably possible following execution of the Lease. In the event that any Lessor Required Approvals have not been obtained on or before the Commencement Date, the Lease shall nevertheless remain in effect for a period of up to ninety (90) days, during which Lessor shall diligently seek to obtain the Lessor Required Approvals; provided, however, that the first monthly installment of the annual rent otherwise due hereunder shall not be due until all Lessor Required Approvals have been obtained. The first monthly rent installment shall be prorated to cover only that portion of the Initial Term of the Lease that remains after all Lessor Required Approvals have been obtained. If all Lessor Required Approvals have not been obtained by the end of the first three (3) full calendar months of the Initial Term of the Lease, the Lessee shall have the option of either continuing the Lease for up to an additional ninety (90) days to permit the approvals to be obtained, in which case, the rent shall continue to be abated, or terminating the Lease with no further liability by either party to the other.

36. **Dispute Resolution.**

(A) In the event of any dispute, claim, question or disagreement arising from or relating to this Lease or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If they do not reach such solution within a period of sixty (60) days, then, upon notice by either party to the other, all disputes, claims, questions,

or differences shall be finally settled by arbitration administered by the American Arbitration Association in accordance with the provisions of its Commercial Arbitration Rules, and judgment upon the award may be entered in any court having jurisdiction. Neither party shall interrupt the process of its performance under the Lease pending a final determination in the arbitration proceeding.

(B) The arbitrators shall have no power to change any of the provisions of this Lease in any respect, nor shall they have any power to make an award of reformation, or of consequential or punitive or other damages not measured by the prevailing party's actual damages (except as may be required by statute), and the jurisdiction of the arbitrators is hereby expressly limited accordingly. The arbitration shall be heard at a mutually agreeable time and location within the state in which the Leased Premises are located by a panel of three arbitrators, one of whom must be an attorney-at-law, duly licensed in the jurisdiction and actively engaged in the practice of his profession for at least 10 years.

37. **Non-Agency.** It is not the intention of Lessor or Lessee to create by this Lease a relationship of master-servant or principal-agent, and under no circumstance shall Lessee be considered the agent of Lessor, or vice versa, it being the sole purpose and intent of the parties to this Lease to create a relationship of Lessor and Lessee.

38. **Authority.** Each individual executing this Lease on behalf of Lessee represents and warrants that: (i) he or she is duly authorized to execute and deliver this Lease on behalf of such entity in accordance with its corporate bylaws, statement of partnership, certificate of limited partnership, or appropriate limited liability company documentation, as the case may be; (ii) this Lease is binding upon said entity in accordance with its terms; and (iii) Lessee is duly organized, legally existing, and in good standing in the State of Kentucky.

39. **Exhibits, References.** All exhibits, attachments, amendments, riders, and addenda attached to this Lease are hereby incorporated into and made a part of this Lease. All references in this Lease to sections, exhibits, and provisions are made, respectively, to the sections, exhibits, and provisions of this Lease, unless otherwise specified.

KY-AW Site ID Mercer Road

Nextel Site ID KY343P Masterson Station

40. **Joint and Several.** If Lessee is constituted of more than one person or entity, the obligations imposed on each such person or entity under the Lease shall be joint and several.

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first written above.

ATTEST:

Rachel S. Cole

Rachel S. Cole

Name:
(please print)

LESSOR: Kentucky American Water Company, a
Kentucky corporation

[Signature]

By: Nick O. Rowe
Title: President

ATTEST:

[Signature]

ERIN CANE

Name:
(please print)

LESSEE: Nextel WIP Lease Corp d/b/a Nextel Partners, a
Delaware corporation

[Signature]

By: Brian Wegner
Title: Site Development Manager

KY-AW Site ID: Mercer Road

Nextel Site ID: KY 343P Masterson Station

STATE OF KENTUCKY,

COUNTY OF FAYETTE, TO-WIT:

I, Louise G. Magee, a Notary Public in and for the State and County aforesaid, do hereby certify that Nick O. Rowe, whose name is signed to the foregoing writing bearing date the 22nd day of February, 2007, as President of Kentucky American Water Company, a Kentucky corporation, has this day acknowledged same before me in my said State and County to be the act and deed of said corporation.

Given under my hand this 22nd day of February, 2007.

My commission expires: August 16, 2008.

Louise G. Magee
Notary Public

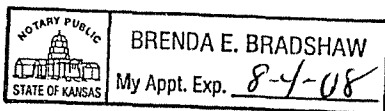
STATE OF Kansas,

COUNTY OF Johnson, TO-WIT:

I, Brenda E Bradshaw, a Notary Public in and for the State and County aforesaid, do hereby certify that Brian Wegner, whose name is signed to the foregoing writing bearing date the 12 day of February, 2007, as Site Development Manager of Nextel WIP Lease Corp d/b/a Nextel Partners, a Delaware corporation, has this day acknowledged same before me in my said State and County to be the act and deed of said company.

Given under my hand this 12 day of February, 2007.

My commission expires: 8-4-08.



Brenda E Bradshaw
Notary Public

Exhibit 1

Description of “Property”

The “Land” and “Improvements”, if any, which together comprise the “Property”, as such terms are used in the foregoing Telecommunications Site Lease, are as follows:

Land: All of that certain tract or parcel of land situated on the Southerly aide of Mercer Road and on the Northwesterly side of the New Circle Road, near Lexington, in Fayette County, Kentucky, and more particularly described and bounded as follows, to wit:

Beginning at a point in the Southerly right of way line of Mercer Road, said point being a corner to Industry Development Company; thence with said Southerly right of way line of Mercer Road for two calls North 76 degrees 01 minute West 100 feet and North 75 degrees 27 minutes West 100 feet to a new corner with Wilmot; thence with Wilmot for two new calls, South 23 degrees 52 minutes West 200 feet and South 65 degrees 42 minutes East 186.53 feet to the Northwesterly right of way line of the New Circle Road; thence with the Northwesterly right of way line of the New Circle Road, North 71 degrees 27 minutes East 15 feet to the line of Industry Development Company; thence with Industry Development Company for two calls North 23 degrees 41 minutes East 69.4 feet and North 23 degrees 52 minutes East 155.3 feet to the beginning, and containing 0.983 acre, more or less.

Being the same property, or a portion thereof, acquired by Lessor (or its predecessor Lexington Water Company), by Deed dated December 30, 1963, of record in Deed Book 786, Page 223, in the office of the Clerk of Fayette County, Kentucky.

TAX Data: Map ID No. 08-003.

Improvements: That certain water storage tank situate on the above-described Land.

Exhibit 2

Description of “Leased Premises”

The “Leased Premises” to which the foregoing Telecommunications Site Lease applies, is described as follows:

(1) So much of the available exterior surface area of the Improvements (described in Exhibit 1), and air space above and adjacent thereto, as is reasonably necessary for the attachment of 9 Antel RWA-80015LS, 3 antennas per sector – 3 sectors and all necessary cables and equipment appurtenant thereto, being more fully described on Exhibit 5; and

(2) a portion of the available surface area of the Land (described in Exhibit 1) reasonably necessary for the installation of an Equipment Shed (defined in Section 6 of the Lease) and appurtenant facilities, being more fully described on Exhibit 5; the approximate location and boundaries of said Leased Premises being shown, in whole or in part, on a plat or sketch thereof attached hereto as Exhibit 2A.

KY-AW Site ID: Mercer Road

Nextel Site ID# KY343P Masterson Station

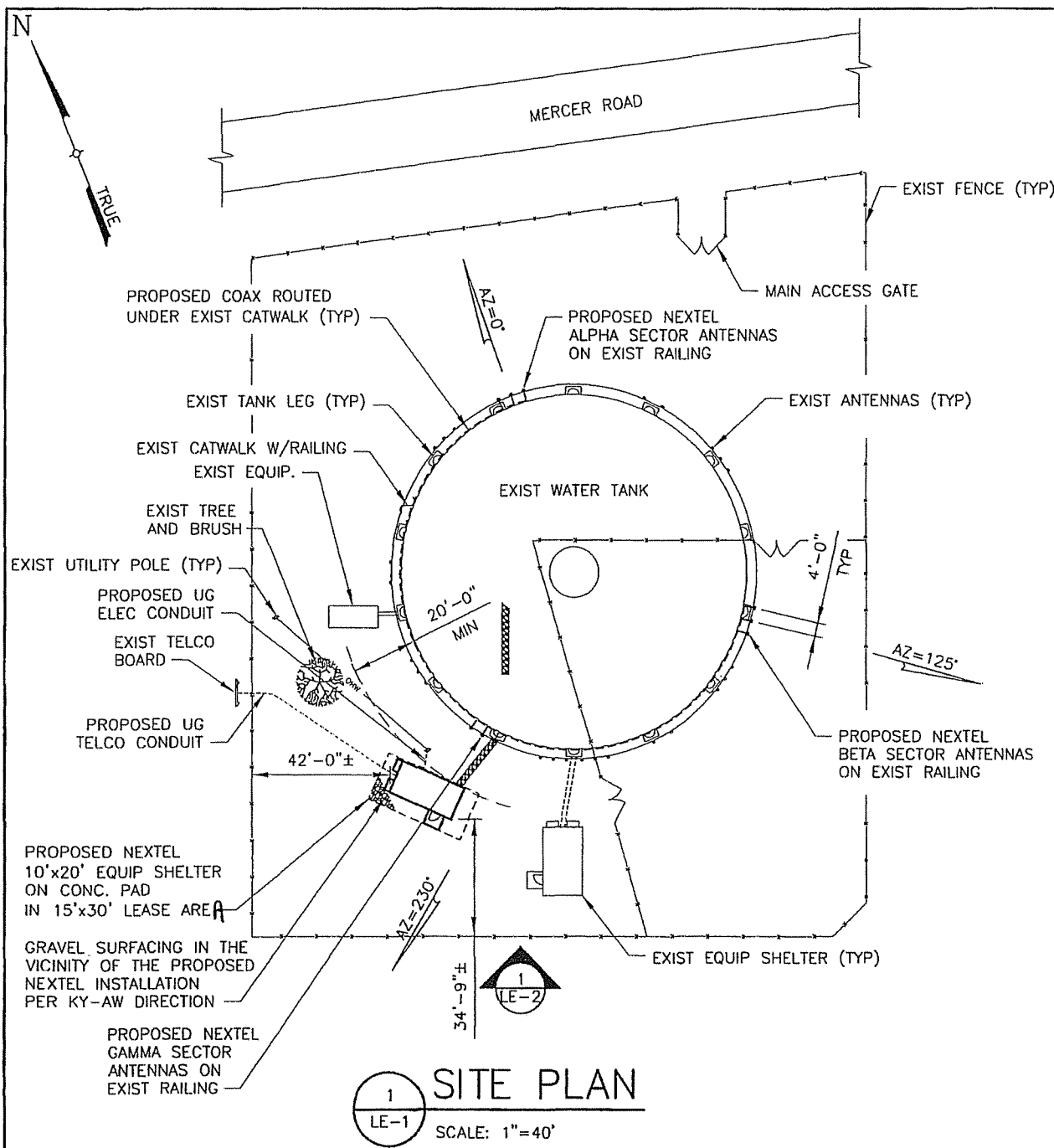
Exhibit 2A

The following are attached as part of Exhibit 2A:

Survey Sheet 1 of 1

Lease Exhibit Sheet LE-1 of 2

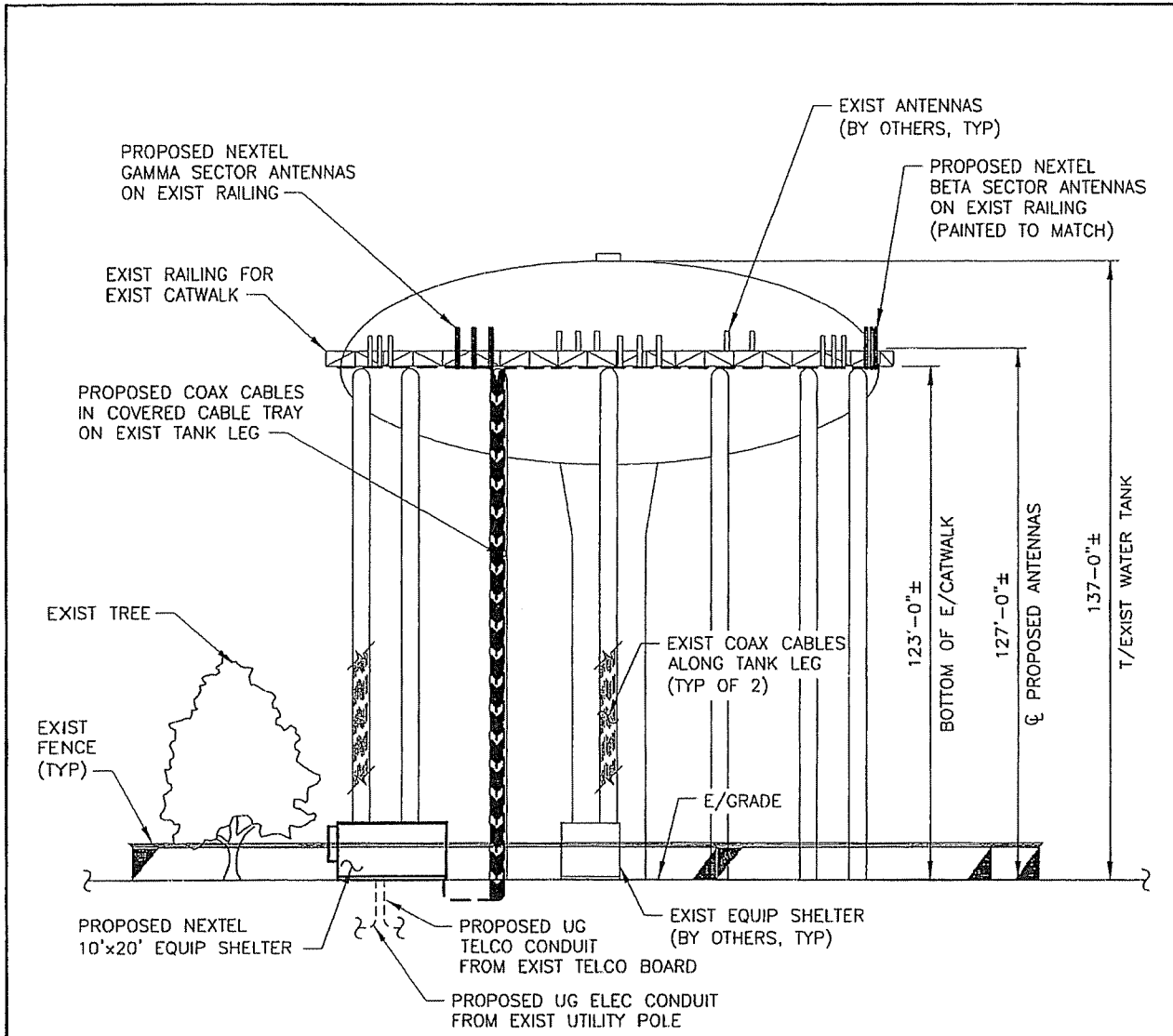
Lease Exhibit Sheet LE-2 of 2



NOTES:

1. SITE FEATURE AS SHOWN ARE BASED ON A LIMITED INSPECTION BY TECTONIC ENGINEERING & SURVEYING CONSULTANTS P.C. ON 9/22/06.
2. NEXTEL PROPOSES A TOTAL OF (9) ANTENNAS ON WATER TANK HANDRAIL, (2) GPS ANTENNAS LOCATED ON THE SHELTER AND (9) CABLES WITH THIS INSTALLATION.

<p>TECTONIC</p> <p>TECTONIC Engineering & Surveying Consultants P.C. 955 Little Britain Road New Windsor, NY 12553 Phone: (845) 567-6656 Fax: (845) 567-8703</p> <p>TEC WO: 3798-KY01N ISSUED BY: KZ</p>	<ul style="list-style-type: none"> • PLANNING • ENGINEERING • SURVEYING • CONSTRUCTION MGMT. 			<p>NEXTEL</p> <p>PARTNERS INC.</p> <p>MERCER ROAD LEXINGTON, KY 40511</p>	
	2	1/23/07			
	1	11/20/06			
	0	10/4/06			
	REV	DATE	SITE NO:	KY343P	SHEET: LE-1



1 ELEVATION
LE-2 SCALE: 1"=30'

NOTES:

1. THE ANTENNAS AND EQUIPMENT LOCATION AS SHOWN IS PENDING ON THE VERIFICATION OF STRUCTURAL CAPACITY OF THE WATER TANK, AND THE LOCATION OF EXIST ANTENNAS. THIS PROPOSAL SHOULD NOT BE CONSIDERED FINAL UNTIL SUCH VERIFICATION.
2. PROPOSED UTILITY CONDUIT ROUTING SHOWN IS APPROXIMATE AND MAY CHANGE TO PREVENT INTERFERENCE WITH EXISTING CONDITIONS. ELECTRIC SERVICE SHALL BE SEPARATE AND SHALL NOT BE PULLED FROM KY-AW CIRCUITS.
3. EXIST ANTENNAS SHOWN IN THE SKETCH ABOVE ARE BASED ON A VISUAL INSPECTION AND ARE FOR DEMONSTRATION PURPOSES ONLY. EXACT NUMBER AND SIZE HAS NOT BEEN PHYSICALLY MEASURED.
4. ALL DISTURBED AREAS TO BE REFURBISHED.

TECTONIC • PLANNING • ENGINEERING • SURVEYING • CONSTRUCTION MGMT. TECTONIC Engineering & Surveying Consultants P.C. 955 Little Britain Road New Windsor, NY 12553 Phone: (845) 567-6656 Fax: (845) 567-8703	2	1/23/07	NEXTEL PARTNERS INC. MERCER ROAD LEXINGTON, KY 40511
	1	11/20/06	
	0	10/4/06	
	TEC WO: 3798-KY01N ISSUED BY: KZ	REV DATE	

Exhibit 3

Addresses for Payments and Notices

Payments

From Lessee to Lessor

All lease and other payments to be made by Lessee to Lessor under the Lease shall be addressed as follows:

Reference the following on all documents: KY-AW: Mercer Road

American Water Capital Corp.
PO Box 822192
Philadelphia, PA 19182-2192

From Lessor to Lessee

All payments to be made by Lessor to Lessee under the Lease shall be addressed as follows:

Nextel WIP Lease Corp. d/b/a Nextel Partners
4500 Carillon Point
Kirkland, WA 98033
Attn: Lease Administrator

Notices

From Lessee to Lessor

All notices required or permitted to be given by Lessee to Lessor under the Lease shall be addressed as follows:

Reference the following on all documents: KY-AW Mercer Road

Kentucky American Water Company
2300 Richmond Road
Lexington, KY 40502
Attn: Regional Corporate Counsel

From Lessor to Lessee

All notices required or permitted to be given by Lessor to Lessee under the Lease shall be addressed as follows:

Nextel WIP Lease Corp. d/b/a Nextel Partners
4500 Carillon Point
Kirkland, WA 98033
Attn: Lease Administrator

With a copy to:
Nextel Partners, Inc.
13405 East Point Centre Drive
Suite 100
Anchorage, KY 40223
Attn: Project Manager

Exhibit 4

Access Conditions

Access to the Premises and Leased Premises by Lessee and all persons on its behalf, including, but not limited to, its employees, agents and contractors, is subject to the following conditions and limitations:

1. Lessee shall provide Lessor with a list of all persons who may require access to the Leased Premises from time to time and will update the list as necessary to keep it current. Lessee shall require all persons accessing the Leased Premises or the Property on its behalf to display or produce upon request an identification card or badge incorporating a recent photograph of the bearer.
2. Unless and until Lessee's Equipment Shed and other ground-level Facilities are completely enclosed by fencing that (i) may be accessed without entering into any other fenced-in portions of the Property and (ii) does not permit access to any other fenced-in portions of the Property, Lessee shall give Lessor a minimum of five (5) days advance notice of the date and approximate time that Lessee will enter onto the Property. If and when Lessee's Equipment Shed and other ground-level Facilities are enclosed by fencing with a separate point-of-access that does not require or permit access to any other fenced-in portions of the Property, Lessee may then access the Equipment Shed and other Facilities located within the same enclosure without giving Lessor prior notice; provided, however, that if necessary or appropriate to respond to any security threats or warnings, Lessor may bar all access to the Leased Premises until the security threat or warning has been eliminated.
3. Lessee shall at no time have access to the Improvements or other areas on the Improvements or on other portions of the Property located outside of any Equipment Shed enclosure unless Lessee is accompanied on site by Lessor's representative. In the event Lessee needs access to any of the Leased Premises located outside of the Equipment Shed enclosure, Lessee shall give Lessor written notice pursuant to Section 21 of the Lease at least five (5) days in advance, said notice to be addressed as specified in Exhibit 3.

KY-AW Site ID: Mercer Road

Nextel Site ID: KY343P Masterson Station

Exhibit 5

Description of Facilities

The "Facilities", as such term is defined and used in the foregoing Telecommunications Site Lease, consists of the following:

Ground Space: 15' x 30' lease area

Equipment: Shelter on a 10' x 20' concrete pad with an Andrew GPS antennas mounted on same

Antennas: 9 Antel RWA-80015LS, 3 antennas per sector – 3 sectors and associated cables

KY-AW Site ID: Mercer Road

Nextel Site ID: KY343P Masterson Station

NOTARIZATION OF GRANTOR'S SIGNATURE:

STATE OF KENTUCKY

COUNTY OF FAYETTE, to wit:

The foregoing Memorandum of Lease was acknowledged before me this ____ day of _____, 2007, by Nick O. Rowe, as President of Kentucky American Water Company, a Kentucky corporation, on behalf of the corporation, in my jurisdiction aforesaid.

Notary Public

My Commission expires: _____.

NOTARIZATION OF GRANTEE'S SIGNATURE:

STATE OF _____

COUNTY OF _____, to wit:

The foregoing Memorandum of Lease was acknowledged before me this ____ day of _____, 2007, by Brian Wegner, as Site Development Manager of Nextel WIP Lease Corp d/b/a Nextel Partners, a Delaware corporation, in my jurisdiction aforesaid.

Notary Public

My Commission expires: _____.