

PENNYRILE RURAL ELECTRIC COOPERATIVE

Dependable Power for Farm-Home-Industry

Quentis Duqua
Manager

Robert Glass
Asst. Mgr. & Office Manager

Bill Sholar
Chief Engineer

John M. Dixon, Jr.
Attorney

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Phone 502-886-2555

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Elkton, Ky. 42220-0536
Phone 502-265-2545

P. O. Box 547
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Phone 502-726-2479

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Cadiz, Ky. 42211-0467
Phone 502-522-6678

March 9, 1989

Mr. Donald F. Kizzee
District Manager, Hopkinsville District
Tennessee Valley Authority
700 Hammond Plaza
Hopkinsville, Kentucky 42240

Re: Pennyrile R.E.C.C. & South Central Bell Telephone
Company Joint Use Agreement - Land Between The Lakes,
Golden Pond, Kentucky

Dear Mr. Kizzee:

Pennyrile is in receipt of your letter dated March 2, 1989 pertaining to an agreement proposed by TVA for facilities acquired by TVA from South Central Bell in the Land Between the Lakes area. Pennyrile has the following comments in regard to the proposal.

1. There is no provision in the proposal to allow for periodic changes of rental fee. Our agreement with South Central Bell has a review provision every three years.
2. There is no provision for payment of a pole above the normal base pole (35 ft) if requested by either party.
3. The proposed agreement has no provision for payment should either party have to perform the other party's work should the occasion arise. South Central Bell and Pennyrile pay each other the actual cost including actual overhead.
4. There is no arrangement in the proposal for TVA to share in their part of right-of-way maintenance expense.
5. There are other minor items not in TVA's proposed agreement that Pennyrile is presently evaluating.

We will just buy an extra

We don't need any poles.

We don't need any poles

OFFICERS

ROBERT K. BROADBENT
PRESIDENT

JAMES R. RILEY
VICE PRESIDENT

JOE E. ROGERS
SEC'Y. - TREAS.

DR. EVERETT C. WELLS
ASS'T SEC'Y. - TREAS.

JAMES W. LEAR
2ND ASS'T SEC'Y. - TREAS.

D. L. WILKINS, JR.
DIRECTOR

DR. GEORGE D. BROWN
DIRECTOR


WILLIAM R. CLAXTON
DIRECTOR

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As far as Pennyrite is concerned the agreement in LBL is with South Central Bell until such time there is an acceptable agreement at which time we will exercise Article XV Assignment of Rights, in our present agreement with South Central Bell.

We are returning the three (3) original duplicate proposed letter agreements with this letter.

Very truly yours,


Quentis Fuqua
Manager

QF:mh
Enclosures (3)
cc: Bill Sholar

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 10 1984	
1	
2	

K07 890302 003

700 Hammond Plaza
Hopkinsville, Kentucky 42240
March 2, 1989

DP5

Mr. Quentis Fuqua, Manager
Pennyrile RECC
Post Office Box 551
Hopkinsville, Kentucky 42240

Dear Mr. Fuqua:

Enclosed are three duplicate originals of a proposed letter agreement covering arrangements for the continued attachment of TVA's communication cable facilities (acquired from South Central Bell Telephone Company) to 56 of your poles in the Land Between The Lakes area near Golden Pond, Kentucky. The agreement also provides for the continued attachment of your distribution facilities to two poles which TVA acquired.

Upon execution, please return all duplicate originals to us for further handling. A fully executed copy will be returned for your files.

Very truly yours,

Donald F. Kizzee
District Manager
Hopkinsville District

VEV:VWG
Enclosure
cc: RIMS, MR 4N 72A-C
Glen Burgess, P.O. Box 110140, Nashville
Robert M. Carpenter, MR 5S 133E-C
1997F

CONTRACT SERVICES	
MAR 06 '89	
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	RMC
	MLN
	JMS
	RIMS
	TB FILE

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

February 17, 1989

Mr. Robert K. Broadbent, President
Pennyrile Rural Electric
Cooperative Corporation
Hopkinsville, Kentucky 42240

Dear Mr. Broadbent:

The Pennyrile Rural Electric Cooperative Corporation (hereinafter called "Cooperative") and South Central Bell Telephone Company (hereinafter called "Company") have heretofore entered into arrangements involving the attachment of Company's communications cable facilities to 56 of Cooperative's poles and the attachment of Cooperative's distribution facilities to 2 of Company's poles in the Land Between The Lakes area near Golden Pond, Kentucky.

It is recognized that the Tennessee Valley Authority (hereinafter called "TVA") purchased from Company various segments of Company's communications circuits in the Land Between The Lakes area near Golden Pond, Kentucky, including the communications cable facilities and 2 poles involved in the above-mentioned pole-use arrangements. This will confirm the license arrangements developed between TVA and Cooperative, to replace those between Cooperative and Company, for the continued attachment of the facilities and use of poles referred to above.

It is understood and agreed that:

1. Cooperative hereby grants to TVA permission to use, subject to the terms and conditions hereinafter stated, the 56 Cooperative poles referred to above for the purpose of attaching thereto various cable facilities of TVA. Likewise, TVA hereby grants to Cooperative permission to use, subject to the terms and conditions hereinafter stated, the 2 TVA poles referred to above for the purpose of attaching thereto various cable facilities of Cooperative.

2. For reference purposes under this agreement, the aforesaid poles (as they may be relocated or replaced from time to time) shall hereinafter be referred to as the "Poles." Also, the term "ANSI Code" as used herein shall mean the National Electrical Safety Code of the American National Standards Institute, as may be revised from time to time by said Institute, and the terms "Attachment Owner" and "Pole Owner" as used herein shall appropriately mean TVA and Cooperative (or vice versa), as the case may be, where facilities owned by one party are to be attached to, or removed from, a Pole of the other party.

3. If a party desires to attach facilities (in addition to those already in place as of the effective date of this agreement) to the other party's Poles or to make changes to facilities already attached, the Attachment Owner shall submit to the Pole Owner plans and specifications showing the arrangement for attachment of the Attachment Owner's facilities in

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Mr. Robert K. Broadbent
February 17, 1989

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advance of installation and shall not attach said facilities or make changes to existing facilities until after notification by the Pole Owner that such arrangement is satisfactory to the Pole Owner. The Attachment Owner shall notify the Pole Owner of its time schedule for attaching said facilities or making said changes so that the Pole Owner may have a representative present if it wishes. The Attachment Owner's facilities shall be installed (or changed) and thereafter operated and maintained by it all at no expense to the Pole Owner and in such manner as will not interfere with the safe and efficient operation of the Pole Owner's facilities and property. The Pole Owner will be responsible at its expense for the routine operation and maintenance of the Poles.

4. The Pole Owner's and Attachment Owner's respective facilities provided for hereunder shall at all times be operated and maintained by the parties in accordance with the ANSI Code. In the event the Pole Owner desires to change the character or operating conditions of its circuits or facilities on the Poles, the Pole Owner shall give notice to the Attachment Owner reasonably in advance of such desired change. Thereafter each party shall make necessary changes to its facilities at its own expense. Additionally, whenever the Pole Owner desires to replace or relocate any of the Poles, the Pole Owner shall give notice to the Attachment Owner reasonably in advance, and the Attachment Owner shall transfer its attachments to the new or relocated poles at the Attachment Owner's own expense.

5. During the term of this agreement, the Attachment Owner shall, within 30 days after receipt of an invoice (including a statement as to the number of Poles) submitted by the Pole Owner on or after January 1 of each year, pay the Pole Owner an annual amount of \$9.75 for each of the Pole Owner's Poles. Such payments shall cover an annual period ending with June 30 of that year and shall be based on the number of Poles in effect as of December 31 of the preceding year. Payments for any period of less than one year shall be prorated.

6. The Pole Owner does not warrant or represent that the Poles are safe, healthful, or suitable for the purposes for which they are permitted to be used under the terms of this agreement.

7. The Attachment Owner shall reimburse the Pole Owner for any damage to the Pole Owner's property and property in its custody, and the Attachment Owner releases the Pole Owner (and the United States of America in cases involving TVA as the Pole Owner) from and shall indemnify and save harmless the Pole Owner (and the United States of America in cases involving TVA as the Pole Owner) from any and all claims, demands, or causes of action for personal injuries, property damage, or loss of life or property sustained by the Attachment Owner, its agents and employees, or third parties arising out of or in any way connected with the work performed by the Attachment Owner or the Attachment Owner's use of the Poles even though the personal injuries, property damage, or loss of life or property is caused, occasioned, or

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Mr. Robert K. Broadbent
February 17, 1989

-3-

contributed to by the negligence, sole or concurrent, of the Pole Owner (and the United States of America in cases involving TVA as the Pole Owner) or its agents or employees.

8. This agreement shall be deemed to be effective as of September 1, 1987, and shall continue in effect through August 31, 1989, and from year to year thereafter; provided that either party may terminate this agreement (or the arrangements set out hereunder with respect to any of the Poles) at any time by giving written notice to the other specifying the date of termination, and the Attachment Owner shall make all reasonable efforts to remove its facilities from the affected Poles within 90 days following the termination date.

9. No member of or delegate to Congress or Resident Commissioner, or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom unless the agreement be made with a corporation for its general benefit, nor shall Cooperative offer or give, directly or indirectly, to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value, except as provided in 18 C.F.R. § 1300.735-12 or -34. Breach of this provision shall constitute a material breach of this agreement.

If this letter satisfactorily sets forth our understandings, please execute three counterparts hereof and return them to the TVA district office. Upon execution by TVA, this letter shall be a binding agreement, and a fully executed counterpart will be returned to you.

Very truly yours,

TENNESSEE VALLEY AUTHORITY

Randall W. Littrell
Manager of Regional Operations

Accepted and agreed to as of
the date first above written.

PENNYRILE RURAL ELECTRIC
COOPERATIVE CORPORATION

By _____
President

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To John Humphries from Dennis To, 10-4-89

Ref. Attachment of TVA's Communications Cables to Poles of Pennyrile RECC

This refers to:

1. A proposed letter agreement covering arrangements for the continued attachment of TVA's telephone cable facilities (acquired from South Central Bell Telephone Company) to 56 poles of the cooperative in the Land Between The Lakes area near Golden Pond, Kentucky. This agreement also covers the continued attachment of the coop's distribution facilities to 2 poles of TVA (also acquired from the telephone company). This proposed letter agreement was previously sent to the Hopkinsville District (by Bob Carpenter's memo dated 2-17-89 to Don Kizzee) for presentation to the coop.
2. The coop's letter dated 3-9-89 to Don Kizzee requesting changes to the proposed letter agreement.

I have reviewed the coop's requested changes & have the following comments:

The proposed agreement was developed to be as consistent as possible with TVA's well-established, valley-wide policy & practices on joint-use-of-poles arrangements with distributors (including Pennyrile as a participant). At the same time, we also tried to recognize important financial obligations that existed under the pole-use arrangements between the coop and South Central Bell (SCB) at the time TVA acquired the telephone circuit from SCB. This mainly involved SCB's payment to the coop at an annual rate of \$9.75 per pole for 56 poles, or \$546 per year. On the other hand, TVA has not, since the start of the joint-use-of-poles program, increased its annual charge to distributors, which stands at \$1 per pole per year. Under the standard joint-use-of-poles agreement TV-82619, dated 2-25-44, the coop is now attaching its distribution circuits to 39 poles of TVA, as reflected by the most recent invoice (E88-3-454, dated 3-31-88) to the coop for a total annual charge of \$39.

Under item (1), the coop asks for a periodic change in the annual charge. Although the charge is only \$1/yr under TVA's joint-use-of-poles program with distributors, we allow \$9.75 per pole under the proposed agreement in consideration of the coop's charge to SCB at the time TVA acquired the communications facilities from SCB. I do not think it is appropriate (nor is it consistent with the standard contract language) to give the coop a "blank check" to raise the charge from time to time as it wishes.

Under item (2), the coop asks for additional payment when a pole larger than normal (35 ft) is required to accommodate TVA's attached cables. To incorporate this provision will result in significant deviation from the standard language, which is very undesirable. Furthermore, to modify standard language & standard practice would normally require rigorous & lengthy review by TVA's legal staff. The proposed agreement is intended mainly to allow the continued attachment of the cable now in place to the coop's 56 poles now in place. It's unlikely that a situation will arise in the future that involves this issue (of the coop having to put in an oversized pole on TVA's behalf). After all, there is nothing in the language of the proposed agreement that would obligate the coop to incur added expense just to accommodate any request from TVA for attachment of TVA's facilities. Also, if the coop cannot (or does not wish to) accommodate TVA's request for an attachment, TVA can always put up its own supporting pole.

Under item (3), the coop asks for provision for payment when one party is to perform work for the other. In addition to the problem with deviation from standard language as mentioned under item (2), I also believe that it is not necessary to incorporate such provision in the agreement. In the course of day-to-day power system operations, situations do arise occasionally whereby TVA needs help from distributor personnel (and vice versa) to do some work, such as moving a piece of equipment or doing some emergency switching. There should be a mechanism set up by Power System Operations to handle the compensation between TVA and distributors on matters like this.

Under item (4), the coop asks for TVA to share in the right-of-way maintenance expense. Again, there is the same problem with deviation from standard language as mentioned under item (2). Also, from an overall cost/benefit standpoint for TVA and the coop as a whole, this may not be worthwhile considering the administrative & record-keeping costs involved in the billings for relatively small amounts. It should also be noted that TVA does not charge distributors for R-O-W maintenance under the standard agreement. I think it is reasonable to consider such costs as adequately covered in the \$9.75 per pole that TVA will be paying the coop for those 56 poles.

As a final observation, in view of the relatively small amount of money involved (\$546 a year), it would be desirable for both TVA and the coop to not delay the completion of this agreement any further.

Dennis To (10-5-89)

To: Dennis P. To C EUDR01 MR5S129
From: John A Humphries
Subject: Pennyrile / LBL Pole Att. Date: 10/27/89

Distribution:

Not Requested

Its hard to tell because some poles are numbered and some are not. The existing drawings do not agree with the actual installation. I believe the poles #46 and #47 are TVA owned.

----- Reply -----

To: John A Humphries From: Dennis P. To
Subject: Pennyrile / LBL Pole Att. Date Sent: 10/27/89

This sounds like a good plan. Pls proceed with discussions with the coop. If they refuse, I think TVA is still better off letting them have those 2 poles for \$1 instead of having to remove & dispose of those poles. Let me know Also, for my info, which of the poles (#43 - #51) are TVA's poles?

Dennis

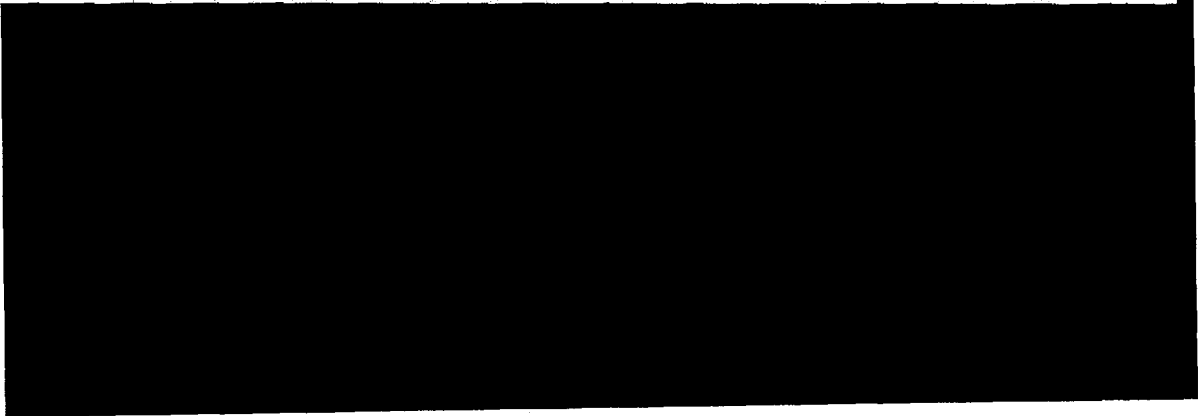
----- Original Memo -----

To: Dennis P. To From: John A Humphries
Subject: Pennyrile / LBL Pole Att. Date Sent: 10/27/89

I reviewed the pole attachments at LBL with Wayne Roberts and a representative from LBL. We determined that there are two poles which TVA owns and Pennyrile is attached to. These two poles were bought from South Central Bell (SCB). They are located near the Egners-Ferry Bridge over Kentucky Lake and TVA-LBL has no use for the telephone cable on the poles. TVA has no plans to use the telephone cable in this section of line. It was determined that the section of cable from pole #43 to #51 can be removed and the two poles sold to Pennyrile RECC. By removing this section of telephone cable, seven attachments of TVA on Pennyrile's poles would also be removed. If telephone service is needed in this area in the future, it probably will be with underground cable. We believe that Pennyrile needs this section of line to serve the bridge lights.

By removing the two poles from consideration, I believe all but one of Pennyrile's comments about the proposed agreement can be eliminated. The provision to increase the pole attachment charge is the one comment still left. I am still assuming that TVA may be agreeable to including this provision in the agreement as a last resort based on discussions with you. I plan to approach Pennyrile on this matter by offering the two poles for \$1 if they would be agreeable to accept the \$9.75 pole attachment charge as stated in the proposed agreement. If they will not then TVA would have the option to remove the two poles and request Pennyrile to provide their own or purchase the two poles at TVA's undepreciated cost.

I would appreciate your comments on this matter.



Item Subject: Cover Memo

John,

I have received the tabulation of the charges that you have telecopied to me. I noticed that you listed the rentals by calendar years. The agmt as now drafted (see section 5 of attached draft) says the annual rental period ends with June 30 of each year. Does Pennyrile want it to end with Dec 31 of each year? If so, I can fix the agmt to reflect that. Also, in that case, we can pay them for the whole period from Jan 1 thru Dec 31 of 1990, which would be $\$335.32 \times 2 = \670.64 . Pls let me know.

DPT (2-8-91)

----- Reply -----

BCC: Dennis P. To From: Dennis P. To
Subject: Pole Att Agmt/Pennyrile Date Sent: 02/08/91

John,

If my memory is correct, this agmt is being put on hold because of some complication with the rental payments that Pennyrile is to backbill TVA for. There was a question as to whether the agmt as written would permit TVA to let them increase the rental rate (say 5% or 10% each year) retroactively. I suggested to Vic (& he was supposed to get the info for me) that Pennyrile give us a list of the backbillings so I can work it into the contract & avoid any potential for the Auditing/Accounts Payable people to reject the payments. The list that Vic was supposed to get me should be something like:

Period		Pennyrile's Poles	TVA's Poles	Annual Rate
From	To			
9-1-87	6-30-88	56??	???	\$9.75
7-1-88	6-30-89	???	???	\$???
7-1-89	6-30-90	???	???	\$???

The 1st period would have to be prorated. Also, has TVA completed the removal of TVA's cable from pole 43 to pole 51 yet? If so, I need to know when so I can exclude 7 poles of Pennyrile & 2 poles of TVA from the rental calculations.

Pls let me know.

DPT

----- Original Memo -----

To: Dennis P. To From: Mark W. Brooks
Subject: Pole Att Agmt/Pennyrile Date Sent: 02/08/91

DPT:

John Humphries asked if we could prepare a new set of pole attachment agreements for Pennyrile to indicate the current distributor chairman. I believe this is the agreement where TVA is attaching its lines on the distributor's poles, and the distributor wants TVA to pay a rather high fee for these attachments.

I think you have been handling this one personally, but if you wish,

I can take care of this with John. Please let me know.

MWB (2-8-91)

Post Office Box 20260
Bowling Green, Kentucky 42102-6260

TELECOPY COVER LETTER
FAX NUMBER - (502) 842-1543
CONFIRMATION NUMBER - (502) 781-7653

DATE: 2-8-91 NUMBER OF PAGES: 2

TO: Dennis To

ADDRESS: _____

PHONE NUMBER: _____

FROM: John Humphries

SUBJECT: _____

COMMENTS: LBL Pale Attachment Agreement

- | | | | |
|-------------------|-------------------------------------|-------------|--------------------------|
| PER YOUR REQUEST: | <input checked="" type="checkbox"/> | DISTRIBUTE: | <input type="checkbox"/> |
| INFORMATION: | <input checked="" type="checkbox"/> | CIRCULATE: | <input type="checkbox"/> |
| PER CONVERSATION: | <input checked="" type="checkbox"/> | APPROVAL: | <input type="checkbox"/> |
| COMMENT: | <input type="checkbox"/> | SIGNATURE: | <input type="checkbox"/> |
| HANDLE: | <input type="checkbox"/> | DESTROY: | <input type="checkbox"/> |
| PREPARE REPLY: | <input type="checkbox"/> | CALL ME: | <input type="checkbox"/> |
| NOTE AND RETURN: | <input type="checkbox"/> | FILE: | <input type="checkbox"/> |

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Joint Use Billing For LBL-TVA

September 1, 1987 thru December 31, 1987

$$\begin{aligned}
 &56 \text{ poles} \times 7.25 \text{ per pole} \times \frac{1}{2} \text{ year} &= & 135.33 \\
 &2 \text{ poles} \times 9.00 \text{ per pole} \times \frac{1}{2} \text{ year} &= & \underline{6.00} \\
 &&& \$ 129.33
 \end{aligned}$$

January 1, 1988 thru December 31, 1988

$$\begin{aligned}
 &56 \text{ poles} \times 8.70 \text{ per pole} &= & 487.20 \\
 &2 \text{ poles} \times 10.80 \text{ per pole} &= & \underline{21.60} \\
 &&& \$ 465.60
 \end{aligned}$$

January 1, 1989 thru December 31, 1989

$$\begin{aligned}
 &56 \text{ poles} \times 10.4 \text{ per pole} &= & 589.64 \\
 &2 \text{ poles} \times 12.96 \text{ per pole} &= & \underline{25.92} \\
 &&& \$ 589.72
 \end{aligned}$$

January 1, 1990 thru ^{December 31} ~~June 30~~, 1990

$$\begin{aligned}
 &56 \text{ poles} \times 12.53 \text{ per pole} \times \frac{1}{2} \text{ year} &= & 350.84 \quad 701.68 \\
 &2 \text{ poles} \times 15.52 \text{ per pole} \times \frac{1}{2} \text{ year} &= & \underline{15.52} \quad 31.10 \\
 &&& \$ 366.32 \quad 670.58
 \end{aligned}$$

Total

$$\$ 1488.97 \quad 1824.23$$

file copy

TV-85289U

TENNESSEE VALLEY AUTHORITY
Chattanooga, Tennessee 37402-2801

April 1, 1991

Mr. James R. Riley, President
Pennyrite Rural Electric
Cooperative Corporation
Hopkinsville, Kentucky 42240

Dear Mr. Riley:

The Pennyrite Rural Electric Cooperative Corporation (hereinafter called "Cooperative") and South Central Bell Telephone Company (hereinafter called "Company") have heretofore entered into arrangements involving the attachment of Company's communications cable facilities to 56 of Cooperative's poles and the attachment of Cooperative's distribution facilities to 2 of Company's poles in the Land Between The Lakes area near Golden Pond, Kentucky.

It is recognized that the Tennessee Valley Authority (hereinafter called "TVA") purchased from Company various segments of Company's communications circuits in the Land Between The Lakes area near Golden Pond, Kentucky, including the communications cable facilities and 2 poles involved in the above-mentioned pole-use arrangements. This will confirm the license arrangements developed between TVA and Cooperative, to replace those between Cooperative and Company, for the continued attachment of the facilities and use of poles referred to above.

It is understood and agreed that:

1. Cooperative hereby grants to TVA permission to use, subject to the terms and conditions hereinafter stated, the 56 Cooperative poles referred to above for the purpose of attaching thereto various cable facilities of TVA. Likewise, TVA hereby grants to Cooperative permission to use, subject to the terms and conditions hereinafter stated, the 2 TVA poles referred to above for the purpose of attaching thereto various cable facilities of Cooperative.

2. For reference purposes under this agreement, the aforesaid poles (as they may be relocated or replaced from time to time) shall hereinafter be referred to as the "Poles." Also, the term "ANSI Code" as used herein shall mean the National Electrical Safety Code of the American National Standards Institute, as may be revised from time to time by said Institute, and the terms "Attachment Owner" and "Pole Owner" as used herein shall appropriately mean TVA and Cooperative (or vice versa), as the case may be, where facilities owned by one party are to be attached to, or removed from, a Pole of the other party.

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Mr. James R. Riley
April 1, 1991

3. If a party desires to attach facilities (in addition to those already in place as of the effective date of this agreement) to the other party's Poles or to make changes to facilities already attached, the Attachment Owner shall submit to the Pole Owner plans and specifications showing the arrangement for attachment of the Attachment Owner's facilities in advance of installation and shall not attach said facilities or make changes to existing facilities until after notification by the Pole Owner that such arrangement is satisfactory to the Pole Owner. The Attachment Owner shall notify the Pole Owner of its time schedule for attaching said facilities or making said changes so that the Pole Owner may have a representative present if it wishes. The Attachment Owner's facilities shall be installed (or changed) and thereafter operated and maintained by it all at no expense to the Pole Owner and in such manner as will not interfere with the safe and efficient operation of the Pole Owner's facilities and property. The Pole Owner will be responsible at its expense for the routine operation and maintenance of the Poles.

4. The Pole Owner's and Attachment Owner's respective facilities provided for hereunder shall at all times be operated and maintained by the parties in accordance with the ANSI Code. In the event the Pole Owner desires to change the character or operating conditions of its circuits or facilities on the Poles, the Pole Owner shall give notice to the Attachment Owner reasonably in advance of such desired change. Thereafter each party shall make necessary changes to its facilities at its own expense. Additionally, whenever the Pole Owner desires to replace or relocate any of the Poles, the Pole Owner shall give notice to the Attachment Owner reasonably in advance, and the Attachment Owner shall transfer its attachments to the new or relocated poles at the Attachment Owner's own expense.

5. TVA shall, within 30 days after receipt of an invoice submitted by Cooperative, pay Cooperative the sum of \$1,824.23 to cover TVA's use of 56 Poles of Cooperative (referred to in section 1 hereof) during the period beginning September 1, 1987, and ending December 31, 1990, with such use having been partially offset by Cooperative's use of 2 Poles of TVA (referred to in section 1 hereof) during the same period.

Beginning with January 1, 1992, the Attachment Owner shall, within 30 days after receipt of an invoice (including a statement as to the number of Poles) submitted by the Pole Owner on or after January 1 of each year, pay the Pole Owner an annual amount to cover the Attachment Owner's use of the Pole Owner's Poles. The applicable annual amounts as of January 1, 1991, are \$12.53 for each of Cooperative's Poles and \$15.55 for each of TVA's Poles. Such payments shall cover an annual period ending with December 31 of the preceding year and shall be based on the number of Poles in effect as of that date. Payments for any period of less than one year shall be prorated.

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Mr. James R. Riley
April 1, 1991

The Pole Owner may, from time to time, review the adequacy of the annual amount in effect for billing the Attachment Owner under this agreement and adjust such annual amount. If the Pole Owner determines that an adjustment is appropriate for such annual amount, the Pole Owner may change the annual amount in effect (for billing the Attachment Owner) at any time by written notice to the Attachment Owner specifying the effective date of the new annual amount. However, if such adjustment results in an increase in the annual amount, the amount being adjusted must have been in effect for a minimum period of 1 year prior to the effective date of the adjustment, and furthermore, the new annual amount cannot exceed the annual amount being adjusted by more than 20 percent. Additionally, if a new annual amount is placed in effect after the beginning (January 1) of an annual period, the new annual amount and the annual amount being adjusted shall be appropriately prorated for that annual period.

6. It is recognized that TVA plans to remove (and dispose of) a section of communications cable (acquired from Company) between pole No. 43 and pole No. 51 (as such poles are currently identified on Cooperative's records), which affects 7 of the 56 Cooperative poles and the 2 TVA poles referred to in section 1 hereof. It has also been determined advantageous to both parties for TVA to transfer ownership of those 2 poles in place (thereby saving TVA the pertinent removal and disposal costs) to Cooperative for the continued attachment of Cooperative's distribution facilities thereto.

Accordingly, effective with the date on which TVA completes the removal of its cable from the aforesaid section, (a) said 2 poles of TVA shall become the property of Cooperative without further action by either party and (b) the pole attachment arrangements set out under this agreement shall be deemed appropriately modified to reflect the exclusion therefrom of the aforesaid 7 poles of Cooperative and 2 poles of TVA.

7. The Pole Owner does not warrant or represent that the Poles are safe, healthful, or suitable for the purposes for which they are permitted to be used under the terms of this agreement.

8. The Attachment Owner shall reimburse the Pole Owner for any damage to the Pole Owner's property and property in its custody, and the Attachment Owner hereby waives, and releases the Pole Owner (and the United States of America in cases involving TVA as the Pole Owner) from, and shall indemnify and save harmless the Pole Owner (and the United States of America in cases involving TVA as the Pole Owner) from, any and all claims, demands, or causes of action, including, without limitation, those for personal injuries, property damage, loss of life or property, or consequential damages sustained by the Attachment Owner, its agents and employees, or third parties, arising out of or in any way connected with the work performed by the Attachment Owner or the Attachment Owner's use of the Poles; provided, however, that the provisions of this sentence shall apply only if the personal injuries, property damage, loss of life or property, consequential damages, or

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