

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF TAYLOR COUNTY)	
RURAL ELECTRIC COOPERATIVE CORPORATION)	CASE NO.
FOR A GENERAL ADJUSTMENT OF RATES)	2023-00147

**RESPONSES TO COMMISSION STAFF'S POST HEARING REQUEST FOR
INFORMATION TO TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE
CORPORATION DATED OCTOBER 30, 2023**

Filed: November 9, 2023

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
TAYLOR COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR)
A GENERAL ADJUSTMENT OF RATES)

Case No. 2023-000147

VERIFICATION OF JEFFREY R. WILLIAMS

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF TAYLOR)

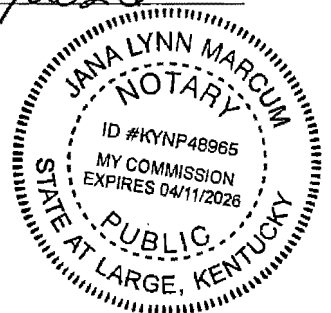
Jeffrey R. Williams, Chief Executive Officer of Taylor County Rural Electric Cooperative Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Post Hearing Request for Information in the above referenced case on behalf of Taylor County Rural Electric Cooperative Corporation, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Jeffrey R. Williams

The foregoing Verification was signed, acknowledged and sworn to before me this ____ day of November, 2023, by Jeffrey R. Williams.

Jana Lynn Marcum
Commission expiration: 04/11/2026



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)	
TAYLOR COUNTY RURAL ELECTRIC)	Case No. 2023-000147
COOPERATIVE CORPORATION FOR)	
A GENERAL ADJUSTMENT OF RATES)	

VERIFICATION OF PATSY WALTERS

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF TAYLOR)

Patsy Walters, Manager, Finance and Accounting of Taylor County Rural Electric Cooperative Corporation, being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's Post Hearing Request for Information in the above referenced case on behalf of Taylor County Rural Electric Cooperative Corporation, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Patsy Walters
Patsy Walters

The foregoing Verification was signed, acknowledged and sworn to before me this 7 day of November, 2023, by Patsy Walters

James Quinn
Commission expiration: 5.26.27
#62318

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 1

RESPONSIBLE PARTY: Patsy Walters

Request 1. Provide cost justification sheets for each nonrecurring charge contained in Taylor RECC's tariff.

Response 1. Please see the most recent cost justification sheets for each non-recurring charge contained in Taylor County RECC's Tariff. Also attached are the cost justification sheets for the nonrecurring charges that were approved in Taylor County's Case No. 2012-00023. Fifteen percent (15%) of the work for termination or disconnects is performed by contractors.

Taylor County Rural Electric Cooperative
Non Recurring Charges Cost Justification
November 2023

Direct Wage Expense:

	<u>Hourly Rate</u>
Accounting	\$27.31
Customer Service Representative	\$24.40
Serviceman	\$31.29
Lineman	\$27.27
Meter technician	\$30.67

Other Costs Based on Labor:

	<u>Total Charges</u>	<u>Percent of Labor</u>
Regular labor	<u>\$3,257,735</u>	
401(k)	325,774	10.00%
Life and disability	33,211	1.02%
Payroll taxes	249,217	7.65%
Vacation, holiday, sick days	442,213	13.57%
Worker's compensation insurance	186,994	5.74%
Total		<u>37.98%</u>

Other Direct Costs:

Health and dental insurance premiums	1,199,898
Postretirement benefits	350,448
	1,550,346
Number of employees	53
Annual cost per employee	<u>\$29,252</u>
Regular hours worked	<u>2,080</u>
Per hour amount	<u>\$14.06</u>

Taylor County Rural Electric Cooperative
Non Recurring Charges Cost Justification
November 2023

Return Check Charge:

		Estimated <u>Hours</u>	Per <u>Hour</u>	<u>Amount</u>
Number of Minutes	<u>40</u>			
Direct labor charge-Acct & CSR		66.7%	\$25.86	\$17.24
Other costs based on labor	37.98%	66.7%	\$9.82	6.55
Other direct cost per hour		66.7%	\$14.06	9.38
				<hr/>
Total charges				<u>\$33.16</u>
Approved charge Case #2012-00023				<u>\$25.00</u>

Meter Reading, Collection, Disconnect-Reconnect Charge:

	Per <u>Hour</u>	Meter <u>Test</u>	Meter <u>Reading</u>	Termination/ Field <u>Collection</u>	Reconnect	Service <u>Investigation</u>	<u>Overtime</u>
Service man:							
Number of minutes		<u>30</u>	<u>25</u>	<u>25</u>	<u>45</u>	<u>35</u>	<u>90</u>
Direct labor charge - Lineman	\$27.27						\$40.91
Direct labor charge - Serviceman	\$31.29		\$13.04	\$13.04	\$23.47	\$18.25	
Direct labor charge - Meter Tech	\$30.67	\$15.65					
Other cost based on labor	37.98%	\$5.94	\$4.95	\$4.95	\$8.91	\$6.93	\$15.54
Other direct cost	\$14.06	\$7.03	\$5.86	\$5.86	\$10.55	\$8.20	\$21.10
Mileage	<u>10</u>	\$0.560	\$5.60	\$5.60	\$5.60	\$5.60	
Mileage	<u>20</u>	\$0.560					\$11.20
Office Clerical:							
Number of minutes		<u>25</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>25</u>
Direct labor charge - CSR	\$24.40	\$10.17	\$6.10	\$6.10	\$6.10	\$8.13	\$10.17
Other cost based on labor	37.98%	\$3.86	\$2.32	\$2.32	\$2.32	\$3.09	\$3.86
Other direct cost	\$14.06	\$5.86	\$3.52	\$3.52	\$3.52	\$4.69	\$5.86
Total		<u>\$54.11</u>	<u>\$41.38</u>	<u>\$41.38</u>	<u>\$60.46</u>	<u>\$54.90</u>	<u>\$108.63</u>
Approved Charges Case #2012-00023		\$40.00		\$35.00		\$45.00	\$90.00
No Change since 2011			\$35.00		\$50.00		



NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Return Check Charge

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

_____	_____
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Total Field Expense \$ _____

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 33.16

Total Clerical and Office Expense \$ 33.16

3. Miscellaneous Expense

A. Transportation \$ _____

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ _____

Total Nonrecurring Charge Expense \$ 33.16



NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Meter Test

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>Meter Tech - 30 minutes</u>	<u>28.62</u>
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Total Field Expense \$ 28.62

2. Clerical and Office Expense

A. Supplies \$ _____

B. Labor 19.89

Total Clerical and Office Expense \$ 19.89

3. Miscellaneous Expense

A. Transportation \$ 5.60

B. Other (Itemize)

_____	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ 5.60

Total Nonrecurring Charge Expense \$ 54.11



NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: _____ Meter Reading _____

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u> Serviceman - 25 minutes </u>	<u> 23.85 </u>
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Total Field Expense	\$ <u> 23.85 </u>
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2. Clerical and Office Expense

A. Supplies	\$ _____
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B. Labor	<u> 11.93 </u>
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Total Clerical and Office Expense	\$ <u> 11.93 </u>
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3. Miscellaneous Expense

A. Transportation	\$ <u> 5.60 </u>
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B. Other (Itemize)	_____
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Total Miscellaneous Expense	\$ <u> 5.60 </u>
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Total Nonrecurring Charge Expense	\$ <u> 41.38 </u>
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NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Termination / Field Collection

1. Field Expense:

A. Materials (Itemize)	
_____	\$ _____
_____	_____
_____	_____
B. Labor (Time and Wage)	
<u>Serviceman - 25 minutes</u>	<u>23.85</u>
Total Field Expense	\$ <u>23.85</u>

2. Clerical and Office Expense

A. Supplies	\$ _____
B. Labor	<u>11.93</u>
Total Clerical and Office Expense	\$ <u>11.93</u>

3. Miscellaneous Expense

A. Transportation	\$ <u>5.60</u>
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	\$ <u>5.60</u>

Total Nonrecurring Charge Expense \$ 41.38



NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnect

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>Serviceman - 45 minutes</u>	<u>42.93</u>
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Total Field Expense	\$ <u>42.93</u>
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2. Clerical and Office Expense

A. Supplies	\$ _____
-------------	----------

B. Labor	<u>11.93</u>
----------	--------------

Total Clerical and Office Expense	\$ <u>11.93</u>
--	------------------------

3. Miscellaneous Expense

A. Transportation	\$ <u>5.60</u>
-------------------	----------------

B. Other (Itemize)	_____
_____	_____
_____	_____

Total Miscellaneous Expense	\$ <u>5.60</u>
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Total Nonrecurring Charge Expense	\$ <u>60.46</u>
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NONRECURRING CHARGE COST JUSTIFICATION

Reconnect - After Hours

Type of Charge: _____

1. Field Expense:

A. Materials (Itemize)	
_____	\$ _____
_____	_____
_____	_____
B. Labor (Time and Wage)	
Lineman - 90 minutes	77.54
Total Field Expense	\$ 77.54

2. Clerical and Office Expense

A. Supplies	\$ _____
B. Labor	19.89
Total Clerical and Office Expense	\$ 19.89

3. Miscellaneous Expense

A. Transportation	\$ 11.20
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	\$ 11.20

Total Nonrecurring Charge Expense **\$ 108.63**



NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Service Investigation

1. Field Expense:

A. Materials (Itemize)	
_____	\$ _____
_____	_____
_____	_____
B. Labor (Time and Wage)	
<u>Serviceman - 35 minutes</u>	<u>33.39</u>
Total Field Expense	\$ <u>33.39</u>

2. Clerical and Office Expense

A. Supplies	\$ _____
B. Labor	<u>15.91</u>
Total Clerical and Office Expense	\$ <u>15.91</u>

3. Miscellaneous Expense

A. Transportation	\$ <u>5.60</u>
B. Other (Itemize)	
_____	_____
_____	_____
_____	_____
Total Miscellaneous Expense	\$ <u>5.60</u>

Total Nonrecurring Charge Expense \$ 54.90



NONRECURRING CHARGE COST JUSTIFICATION

Service Investigation - After Hours

Type of Charge: _____

1. Field Expense:

A. Materials (Itemize)

_____	\$ _____
_____	_____
_____	_____

B. Labor (Time and Wage)

<u>Lineman - 90 minutes</u>	<u>77.54</u>
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Total Field Expense \$ 77.54

2. Clerical and Office Expense

A. Supplies	\$ _____
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B. Labor	<u>19.89</u>
----------	--------------

Total Clerical and Office Expense \$ 19.89

3. Miscellaneous Expense

A. Transportation	\$ <u>11.20</u>
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B. Other (Itemize)	_____
_____	_____
_____	_____

Total Miscellaneous Expense \$ 11.20

Total Nonrecurring Charge Expense \$ 108.63

Taylor County Rural Electric Cooperative
PSC Case No. 2012-00023
Non Recurring Charges
November 30, 2011

Direct Wage Expense:

	<u>Employee Number</u>	<u>Hourly Rate</u>
Accounting	105-109	\$22.19
Office clerical - CSR	115-117	\$19.81
Field Service Representative - FSR	235	\$25.42
Lineman	227	\$24.92
Meter technician	209	\$24.92

Other Costs Based on Labor:

	<u>Total Charges</u>	<u>Percent of Labor</u>
Regular labor	<u>\$2,592,317</u>	
401(k)	273,978	10.57%
Life and disability	14,228	0.55%
Payroll taxes	215,929	8.33%
Vacation, holiday, sick days	372,794	14.38%
Worker's compensation insurance	144,502	5.57%
Total		<u>39.40%</u>

Other Direct Costs:

Health and dental insurance premiums	\$1,054,312
Postretirement benefits	<u>222,900</u>
	1,277,212
Number of employees	<u>52</u>
Annual cost per employee	\$24,562
Regular hours worked	<u>2,080</u>
Per hour amount	<u>\$11.81</u>

Taylor County Rural Electric Cooperative
PSC Case No. 2012-00023
Non Recurring Charges
November 30, 2011

Return Check Charge:

		Estimated Hours	Per Hour	Amount
Number of Minutes	<u>40</u>			
Direct labor charge		66.7%	\$21.00	\$14.00
Other costs based on labor	39.40%	66.7%	\$8.27	5.52
Other direct cost per hour		66.7%	\$11.81	7.87
				<hr/>
Total charges				<u>\$27.39</u>
				<hr/>
Proposed charge				<u>\$25.00</u>

Meter Reading, Collection, Disconnect-Reconnect Charge:

	Per Hour	Meter Test	Meter Reading	Termination/ Field Collection	Service Reconnect	Investigation	Overtime
Serviceman:							
Number of minutes		<u>30</u>	<u>25</u>	<u>25</u>	<u>45</u>	<u>35</u>	<u>90</u>
Direct labor charge - Lineman	\$24.92						\$37.38
Direct labor charge - FSR	\$25.42		\$10.59	\$10.59	\$19.07	\$14.83	
Direct labor charge - Meter Tech	\$24.92	\$12.71					
Other cost based on labor	39.40%	\$5.01	\$4.17	\$4.17	\$7.51	\$5.84	\$14.73
Other direct cost	\$11.81	\$5.90	\$4.92	\$4.92	\$8.86	\$6.89	\$17.71
Mileage	<u>10</u>	\$0.485	\$4.85	\$4.85	\$4.85	\$4.85	
Mileage	<u>20</u>	\$0.485					\$9.70
Office Clerical:							
Number of minutes		<u>25</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>20</u>	<u>25</u>
Direct labor charge - CSR	\$19.81	\$8.25	\$4.95	\$4.95	\$4.95	\$6.60	\$8.25
Other cost based on labor	39.40%	\$3.25	\$1.95	\$1.95	\$1.95	\$2.60	\$3.25
Other direct cost	\$11.81	\$4.92	\$2.95	\$2.95	\$2.95	\$3.94	\$4.92
Total		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		\$44.90	\$34.39	\$34.39	\$50.14	\$45.55	\$95.95
Proposed Charge			\$40.00	\$35.00	\$35.00	\$50.00	\$90.00

Taylor County Rural Electric Cooperative
PSC Case No. 2012-00023
Non Recurring Charges
November 30, 2011

Additional Revenues Generated:

Number	Charges		Revenue		Increase		
	Existing	Proposed	Existing	Proposed	Amount	Percent	
Return check	570	\$15.00	\$25.00	\$8,550	\$14,250	\$5,700	67%
Meter Test	6	\$20.00	\$40.00	120	240	120	100%
Meter Reading	0	\$35.00	\$35.00	0	0	0	0%
Termination / Field Collection	740	\$25.00	\$35.00	18,500	25,900	7,400	40%
Reconnect	261	\$50.00	\$50.00	13,050	13,050	0	0%
Service Investigation	13	\$25.00	\$45.00	325	585	260	80%
After Hours	31	\$70.00	\$90.00	2,170	2,790	620	29%
Meter Pole	5	\$90.00	\$90.00	450	450	0	0%
Total				\$43,165	\$57,265	\$14,100	33%

Taylor County Rural Electric Cooperative
Case No. 2012-00023
Non-Recurring Charges

Return Check

When a check is not honored by the bank and is returned, the check is stamped "VOID". The Customer Service Representative ("CSR") reviews the return check, verifying the account number, name, accounts paid by the check, number of return checks for that customer, reason the check was returned, (i.e. NSF, Stop Payment, Account closed), whether it was collected by a Field Service Representative ("FSR"). The CSR will also ensure that there is no prior payment or billing arrangement or security deposit involved. The return check is then keyed to the account, as is the return check fee. The batch is balanced and the cash sheet is pulled. Totals are added to the daily balance sheet re-cap sheets. A letter is typed for mailing to the consumer notifying them of the return check and /or letter is typed notifying the consumer on a "NO CHECK" basis. The consumers' account is noted NC (if applicable) and if the consumer is on bank draft program, their account is taken off auto-payment and applicable notes are made to the account.

The letter is mailed to the consumer. A service order is issued to collect if the return check was collected by an FSR during a collection trip, or for an arrangement, or for security deposit, and the account is added to the call out list for the System Operators.

The account is monitored by the CSR to ensure that it is paid within ten days. If not paid, a service order is issued. Possible arrangements may be made by the CSR to extend time on the return check. If the return check is paid, the payment is processed by the CSR and the collection system is updated to clear out the field notification and the return check is pulled from the file and marked "PAID". The accounting department reconciles the return checks with the bank statement on a monthly basis and runs applicable reports.

Note Discussions with the departments involved indicate that it takes a minimum of 40 minutes to process and account for each return check.

Taylor County Cooperative
Case No. 2012-00023
Non-Recurring Charges

Termination or Field Collection Charge

The CSR produces disconnect tickets and gives them to the Plant Supervisor to distribute the FSR. If payment is not received, or a call received to make arrangements, the ticket is released to the FSR.

The FSR arranges his route and attempts to collect a payment. If unable to collect, he disconnects the service. Tickets are returned to the CSR who key any payments collected plus key the service charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 25 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Reconnect Charge

The CSR produces a reconnect for disconnect ticket and sends to the FSR. The FSR arranges his route for reconnects. Before a service is reconnected, the FSR will visually inspect from the transformer to the meter to ensure that the service has not been tampered with, and that service can safely be reconnected. Tickets for reconnected services are returned to the CSR who keys the completed service order into the system to charge for the fee.

Note Per discussions with the parties involved, it takes the FSR approximately 45 minutes for each trip, including time to prepare the completed paperwork. The CSR spends approximately 15 to 20 minutes to prepare their paperwork and key payments and charges into the system.

Service Investigation Charge

The same as Reconnect Charge, except the safety issue is generally not as great since the customer has generated the call to investigate the interruption of service.

Note Per discussions with the parties involved, it takes the FSR approximately 35 minutes for each trip, including time to prepare the completed paperwork. The CSR takes the same amount of time.

Taylor County Cooperative
Case No. 2012-00023
Non-Recurring Charges

Meter Tests

Meter tests request originate with the CSR, usually as a result of a high bill complaint. The CSR prepares a Meter Change Service Order and receives and processes the Account Charge for payment for the request. After payment for the request is received, the CSR fills out the service order and passes on to the FSR.

The meter is re-read by the FSR and if indicated, the meter is pulled. The meter is brought to the meter shop where the technician will contact the consumer if indicated on the request form to schedule a time for the test. Three (3) separate tests are conducted to verify the accuracy. A written report is prepared documenting the results of the test, which is returned to the CSR for mailing.

Note Per discussions with the meter department, it requires approximately 30 minutes to test the meter and record the results. It takes the CSR approximately 20 minutes of clerical time.

Overtime

This process includes the same as for regular time. The difference is that jobs can not be coordinated with other jobs, either by route or by service location, since these are isolated occurrences. There are generally more safety issues after regular hours since many of the trips are when it is dark while working. The after hour trips are isolated, that is the reason for the mileage to be doubled from reconnects during regular hours.

Mileage

Per discussion with the VP Engineering/Operations and service men, it is estimated that each trip is approximately 10-15 miles. Therefore, 10 miles per trip was used.

Cost per Mile

The transportation system used by Taylor County does not allow for the calculations of a cost per mile for its vehicles. The costs are allocated on a per-hour-of-use basis. Since most vehicles used on service calls, collections, and reconnects are service trucks, and not large bucket trucks, Taylor County has chosen to use the Internal Revenue Service cost per mile of \$0.485 (forty-eight and one-half cent).

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 2

RESPONSIBLE PARTY: Jeff Williams

Request 2. Provide Taylor RECC's annual reliability metrics for 2008 through September 2023. Include the System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), Customer Average Interruption Frequency Index (CAIDI), Customer Average Interruption Duration Index (CAIDI), and Customer Minutes of Interruption. Separately show outages caused by right of way (ROW) vegetation.

Response 2. Please see the attached data. The metrics for 2023 have not been compiled yet. Taylor County RECC does not have an outage management system, so it takes a long time to manually separate the outage reasons, etc. This is not something we can realistically have completed in the next week. That said we have provided data through 2022.

PSC Outage Tabulation, 2008

System:

<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2003	148.1	1.9	77.5
2004	1262.2	8.1	155.8
2005	94.5	1.3	73.5
2006	351.8	3.3	106.5
2007	113.28	1.35	83.72
2008	279.64	2.3	121.76

Outage Subcategory Breakdown:

<u>Subcategory:</u>	<u>Mins:</u>
Animal	89,435.0
Consumer	1,759.8
Equipment	1,110,340.2
Miscellaneous	563,001.4
Overload	47,532.6
Plan	2,040.0
Power Supplier	512,860.4
Tree	1,161,450.2
Weather	3,525,617.4

PSC Outage Tabulation, 2009

System:

<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2004	1262.2	8.1	155.8
2005	94.5	1.3	73.5
2006	351.8	3.3	106.5
2007	113.28	1.35	83.72
2008	279.64	2.3	121.76
2009	1391.8	7	197.7

Outage Subcategory Breakdown:

<u>Subcategory:</u>	<u>Mins:</u>
Animal	1,028,848.8
Consumer	489.8
Equipment	2,026,754.8
Miscellaneous	1,059,458.0
Overload	11,374.0
Plan	22,406.8
Power Supplier	739,908.8
Tree	3,316,271.2

Weather	26,984,928.4
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PSC Outage Tabulation, 2010			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2005	94.5	1.3	73.5
2006	351.8	3.3	106.5
2007	113.28	1.35	83.72
2008	279.64	2.3	121.76
2009	1391.8	7	197.7
2010	307.16	3.91	78.65
Outage Subcategory Breakdown:			
<u>Subcategory:</u>	<u>Mins:</u>		
Animal	1,090,275.8		
Consumer	2,284.2		
Equipment	2,109,795.6		
Miscellaneous	1,170,722.8		
Overload	12,147.2		
Plan	298,286.4		
Power Supplier	714,390.0		
Tree	1,109,881.0		
Weather	1,302,403.0		

PSC Outage Tabulation, 2011			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2006	351.8	3.3	106.5
2007	113.28	1.35	83.72
2008	279.64	2.3	121.76
2009	1391.8	7	197.7
2010	307.16	3.91	78.65
2011	89.4	1.1	81.7
Outage Subcategory Breakdown:			
<u>Subcategory:</u>	<u>Mins:</u>		
Animal	175,126.2		
Consumer	22,449.0		
Equipment	290,040.0		

Miscellaneous	193,440.6
Overload	5,769.6
Plan	17,734.8
Power Supplier	383,563.8
Tree	80,134.2
Weather	1,409,703.6

PSC Outage Tabulation, 2012			
Taylor County RECC			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2007	113.28	1.35	83.72
2008	279.64	2.3	121.76
2009	1391.8	7	197.7
2010	307.16	3.91	78.65
2011	89.4	1.1	81.7
2012	74.0	1.3	57.4

Outage Subcategory Breakdown:	
<u>Subcategory:</u>	<u>Mins:</u>
Animal	199,377.6
Consumer	88,543.2
Equipment	237,092.6
Miscellaneous	239,117.2
Overload	1,186.8
Plan	22,639.2
Power Supplier	367,106.4
Tree	148,410.6
Weather	594,631.2

PSC Outage Tabulation, 2013			
Taylor County RECC			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2008	279.64	2.3	121.76
2009	1391.8	7	197.7
2010	307.16	3.91	78.65
2011	89.4	1.1	81.7
2012	74.0	1.3	57.4

2013	386.84	4.24	91.27
Outage Subcategory Breakdown:			
<u>Subcategory:</u>	<u>Mins:</u>		
Animal	173,436.0		
Consumer	102,626.4		
Equipment	701,611.2		
Miscellaneous	242,989.2		
Overload	1,894.6		
Plan	69,261.6		
Power Supplier	1,485,492.6		
Tree	498,375.0		
Weather	2,228,371.4		

PSC Outage Tabulation, 2014				
Taylor County RECC				
System:				
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>	
2009	1391.8	7	197.7	
2010	307.16	3.91	78.65	
2011	89.4	1.1	81.7	
2012	74.0	1.3	57.4	
2013	386.84	4.24	91.27	
2014	119.18	1.58	75.29	
Outage Subcategory Breakdown:				
<u>Subcategory:</u>	<u>Mins:</u>			
Animal	178,183.2			
Consumer	139,502.4			
Equipment	300,976.2			
Miscellaneous	266,980.8			
Overload	5,405.4			
Plan	40,981.8			
Power Supplier	757,110.6			
Tree	249,475.8			
Weather	1,095,149.0			

PSC Outage Tabulation, 2015				
Taylor County RECC				

System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2010	307.16	3.91	78.65
2011	89.4	1.1	81.7
2012	74.0	1.3	57.4
2013	386.84	4.24	91.27
2014	119.18	1.58	75.29
2015	198.6	1.3	150.7

Outage Subcategory Breakdown:	
<u>Subcategory:</u>	<u>Mins:</u>
Animal	83,208.0
Consumer	204,397.8
Equipment	400,209.0
Miscellaneous	343,717.8
Overload	8,463.6
Plan	71,383.2
Power Supplier	136,572.0
Tree	262,632.6
Weather	3,682,659.0

PSC Outage Tabulation, 2016			
Taylor County RECC			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2011	89.4	1.1	81.7
2012	74.0	1.3	57.4
2013	386.84	4.24	91.27
2014	119.18	1.58	75.29
2015	198.6	1.3	150.7
2016	153.3	1.3	119.6

Outage Subcategory Breakdown:	
<u>Subcategory:</u>	<u>Mins:</u>
Animal	103,989.0
Consumer	160,602.0
Equipment	539,113.8
Miscellaneous	182,098.2
Overload	3,833.4
Plan	56,784.6
Power Supplier	54,589.8
Tree	111,091.2
Weather	2,824,388.4

PSC Outage Tabulation, 2017

Taylor County RECC

System:

<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2012	74.0	1.3	57.4
2013	386.84	4.24	91.27
2014	119.18	1.58	75.29
2015	198.6	1.3	150.7
2016	153.3	1.3	119.6
2017	126.25	1.25	100.96

Outage Subcategory Breakdown:

<u>Subcategory:</u>	<u>Mins:</u>
Animal	119,695.8
Consumer	436,894.8
Equipment	315,600.6
Miscellaneous	413,818.8
Overload	1,875.0
Plan	109,607.4
Power Supplier	478,654.8
Tree	446,910.0
Weather	1,017,453.0

PSC Outage Tabulation, 2018

Taylor County RECC

System:

<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2013	386.84	4.24	91.27
2014	119.18	1.58	75.29
2015	198.6	1.3	150.7
2016	153.3	1.3	119.6
2017	126.25	1.25	100.96
2018	123.15	1.63	75.42

Outage Subcategory Breakdown:

<u>Subcategory:</u>	<u>Mins:</u>
Animal	182,635.2
Consumer	75,231.6

Equipment	518,623.2
Miscellaneous	507,415.8
Overload	3,549.6
Plan	69,168.6
Power Supplier	75,655.8
Tree	153,910.8
Weather	1,661,158.7

PSC Outage Tabulation, 2019			
Taylor County RECC			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2014	119.18	1.58	75.29
2015	198.6	1.3	150.7
2016	153.3	1.3	119.6
2017	126.25	1.25	100.96
2018	123.15	1.63	75.42
2019	111.02	1.14	97.06
Outage Subcategory Breakdown:			
<u>Subcategory:</u>	<u>Mins:</u>		
Animal	183,106.8		
Consumer	110,619.6		
Equipment	484,788.0		
Miscellaneous	282,554.4		
Overload	5,442.0		
Plan	25,140.0		
Power Supplier	0.0		
Tree	241,990.2		
Weather	1,630,287.6		

PSC Outage Tabulation, 2020			
Taylor County RECC			
System:			
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2015	198.6	1.3	150.7
2016	153.3	1.3	119.6
2017	126.25	1.25	100.96
2018	123.15	1.63	75.42

2019	111.02	1.14	97.06
2020	117.8	1.2	99
Outage Subcategory Breakdown:			
<u>Subcategory:</u>	<u>Mins:</u>		
Animal	147,683.4		
Consumer	129,085.2		
Equipment	387,757.8		
Miscellaneous	437,217.6		
Overload	2,155.8		
Plan	29,968.8		
Power Supplier	513,091.8		
Tree	219,451.2		
Weather	1,186,449.0		

PSC Outage Tabulation, 2021				
Taylor County RECC				
System:				
<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>	
2016	153.3	1.3	119.6	
2017	126.25	1.25	100.96	
2018	123.15	1.63	75.42	
2019	111.02	1.14	97.06	
2020	117.8	1.2	99	
2021	141.2	1.12	126.03	
Outage Subcategory Breakdown:				
<u>Subcategory:</u>	<u>Mins:</u>			
Animal	182,789.4			
Consumer	192,398.4			
Equipment	559,372.8			
Miscellaneous	254,791.2			
Overload	2,145.6			
Plan	1,639.2			
Power Supplier	402,570.0			
Tree	467,210.8			
Weather	1,828,740.6			

PSC Outage Tabulation, 2022				
Taylor County RECC				

System:

<u>Year</u>	<u>SAIDI</u>	<u>SAIFI</u>	<u>CAIDI</u>
2017	126.25	1.25	100.96
2018	123.15	1.63	75.42
2019	111.02	1.14	97.06
2020	117.8	1.2	99
2021	141.2	1.12	126.03
2022	203	1.7	117.8

Outage Subcategory Breakdown:

<u>Subcategory:</u>	<u>Mins:</u>
Animal	151,680.0
Consumer	546,521.4
Equipment	486,961.8
Miscellaneous	513,002.4
Overload	3,780.6
Plan	8,890.8
Power Supplier	198,676.8
Tree	596,039.4
Weather	3,166,181.3

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 3

RESPONSIBLE PARTY: Patsy Walters

Request 3. Provide the board of directors meeting minutes from July 19, 2023, to present.

Response 3. Please see the attached.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, July 6, 2023, at 6:13 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Donald Dean Shuffett	Greg Corbin
Chris Tucker	Raymond Rucker
Chad Taylor	Bradley Irvin
Mark Woodrum	

Jeff Williams, CEO and Lynn Marcum was also present and Brittany Hayes Koenig of Honaker Law Office participated via Microsoft Teams for Allyson Honaker, General Counsel.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held June 1, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Mark Woodrum to accept the minutes and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the June 1, 2023 regular board meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Williams gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended June 30, 2023. All members indicated that they had received the Management Reports. Jeff Williams gave an update on the Financial Report. A

motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Greg Corbin. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including a public contact incident, grievances, technology update, windstorm update, right-of-way, disconnects routinely caught-up, and the KEC Annual Meeting dates and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case filed June 6, 2023.

Old business was discussed regarding the nominating committee details.

New business was discussed regarding a revision to the bylaws to amend Article III – Directors Section 3 Part C of the bylaws and Mr. Williams will reach out to different companies to see how they handle retired employees working for a contractor and what limits they put in bylaws to running for the board. Donald Dean Shuffett and Raymond Rucker proposed paying premiums so the utility is not out any money, however the board members would not change insurance policies until the end of the year. Mr. Williams will reach out to the administrative staff in charge of insurance to see if there is any issue created if the board agrees to allow Mr. Shuffett and Mr. Rucker to pay their own premiums and maintain the same policies until the end of the year.

Mr. Williams also notified the Board that he will need to get the building appraised in preparation for an application for a CPCN to be discussed with the board in approximately August or September. A motion was made by Greg Corbin and seconded by Mark Woodrum to allow Mr. Williams to seek information about estimates for obtaining an appraisal for the headquarters building. The motion unanimously carried, RESOLVED, that Mr. Williams will seek information

about services available to appraise the headquarters building in preparation for an application for a CPCN.

Mr. Williams also discussed with the Board the need to hire an uninterested/unaffiliated commercial realtor to evaluate potential parcels of land for a potential location of the headquarters. A motion was made by Chris Tucker and seconded by Greg Corbin for Mr. Williams to seek potential commercial realtors and inquire as to whether those are paid in percentages of the selling price or a flat fee. The motion unanimously carried. It is RESOLVED that Mr. Williams will seek potential commercial realtors and inquire as to whether those are paid in percentages of the selling price or a flat fee and report back to the board with the information obtained.

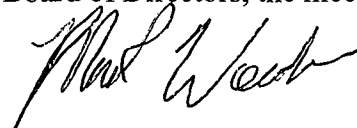
Mr. Taylor reported the total of \$1,869.33 in uncollectible write-offs. A motion was made by Bradley Irvin and seconded by Donald Dean Shuffett to approve the write-offs, the motion was unanimously approved. RESOLVED, that the total in the amount of \$1,869.33 be written off.

A discussion on capital credits to be paid was held. A motion was made by Bradley Irvin and seconded by Donald Dean Shuffett to pay capital credits in the amount of \$15,030.56 the motion was unanimously approved. RESOLVED to pay \$15,030.56 in capital credits.

A discussion was held on new member applications. A motion was made by Greg Corbin and seconded by Mark Woodrum to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 7:47pm.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A reorganization meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Friday, July 14, 2023, at 11:30 a.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Board members introduced themselves and their current positions on the board. Upon calling the roll, the following were found to be present:

Kyle Milby

Greg Corbin

Chris Tucker

Wayne Spearman

Chad Taylor

Bradley Irvin

Mark Woodrum

Jeff Williams, CEO, Lynn Marcum and L. Allyson Honaker, General Counsel were also present.

Mrs. Honaker took nominations for President. Greg Corbin made a motion to nominate Chad Taylor to continue to serve as the Board's President and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that Chad Taylor will continue to serve as the Board's President.

Mrs. Honaker took nominations for Vice-President. Bradley Irvin made a motion to nominate Chris Tucker to continue to serve as Vice-President and it was seconded by Greg Corbin. The motion unanimously carried, RESOLVED, that Chris Tucker will continue to serve as the Board's Vice-President.

Mrs. Honaker took nominations for Treasurer. Greg Corbin made motion to nominate Bradley Irvin to continue to serve as the Board's Treasurer and it was seconded by Mark


Woodrum. The motion unanimously carried, RESOLVED, that Bradley Irvin will continue to serve as the Board's Treasurer.

Mrs. Honaker took nominations for Secretary. Chris Tucker made a motion to nominate Mark Woodrum to continue to serve as the Board's Secretary and it was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, that Mark Woodrum will continue to serve as the Board's Secretary.

Mrs. Honaker then turned the meeting over to Chad Taylor, the President.

Mr. Taylor opened the meeting to discussion for the new board members. The new board members were advised of the upcoming KEC meeting, policies and procedures, rate case update and strategic planning retreat.

The meeting was then adjourned.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, August 3, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Kyle Milby	Greg Corbin
Chris Tucker	Wayne Stearman
Chad Taylor	Bradley Irvin
Mark Woodrum	

Jeff Williams, CEO and Lynn Marcum was also present and L. Allyson Honaker, General Counsel, participate by Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held July 6, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Chris Tucker to accept the minutes and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the minutes of the July 6, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the reorganization meeting held July 14, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the reorganization meeting minutes and it was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, that the minutes of the July 14, 2023 reorganization meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Williams gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended July 31, 2023. All members indicated that they had received the Management Reports. Jeff Williams gave an update on the Financial Report. A motion was made by Chris Tucker to accept the Management Report/Financial Report and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including another public contact incident, right-of-way updates, parking lot changes, grievances, Greensburg lighting update, KEC Annual Meeting updates, transformer shortages, technology updates and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case filed June 6, 2023, CEO evaluations and construction work plan filed for approval.

There was no old business to discussed.

New business was discussed regarding drafting a board policy regarding conflicts of interest and how to proceed, review and amendment of bylaws, dates for CBS presentations, software updates and other items. A discussion was held regarding a donation to Taylor County High School since they allowed Taylor County RECC to use their facilities for the annual meeting. A motion was made by Chris Tucker to give Taylor County High School a \$1000.00 donation for the use of their facilities for the annual meeting and it was seconded by Wayne Stearman. The motion unanimously carried, RESOLVED, that a \$1000.00 donation will be given to Taylor County High School. A discussion was held on the hiring of a commercial realtor for property. A

motion was made by Bradley Irvin to hire Sturgis as a commercial realtor to show property and it was seconded by Greg Corbin. The motion unanimously carried, RESOLVED, that management may hire Sturgis as a commercial realtor.

Mr. Taylor reported the total of \$5,197.01 in uncollectible write-offs. A motion was made by Bradley Irvin and seconded by Kyle Milby to approve the write-offs, the motion was unanimously approved. RESOLVED, that the total in the amount of \$5,197.01 be written off.

A discussion on capital credits to be paid was held. A motion was made by Chris Tucker and seconded by Mark Woodrum to pay capital credits in the amount of \$14,556.80 the motion was unanimously approved. RESOLVED to pay \$14,556.80 in capital credits.

A discussion was held on new member applications. A motion was made by Bradley Irvin and seconded by Greg Corbin to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 8:10 p.m.


Secretary

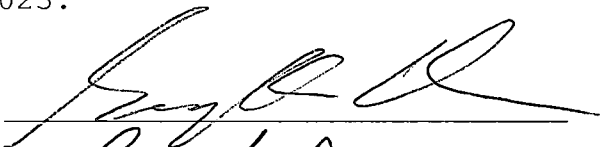
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
CAMPBELLSVILLE, KENTUCKY 42719

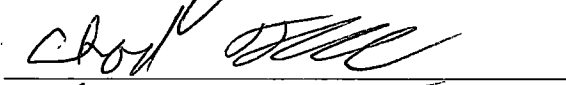
We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 6th day of September 2023, 2:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:


1. CBS Presentation of the Facility Planning Study.


IN WITNESS WHEREOF, we have hereunto set our hands this 6th day of September, 2023.














TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Wednesday, September 6, 2023, at 6:00 p.m., EST, at Campbellsville University located at 1 University Drive, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Kyle Milby

Greg Corbin

Chris Tucker

Wayne Stearman

Chad Taylor

Bradley Irvin

Jeff Williams, CEO and Lynn Marcum were also present and L. Allyson Honaker, General Counsel, participated by Microsoft Teams.

A presentation was given by representatives of Cooperative Building Solutions regarding a possible new headquarters building for Taylor County RECC.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 3:23 p.m.


Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, September 7, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Kyle Milby

Greg Corbin

Chris Tucker

Wayne Stearman

Chad Taylor

Bradley Irvin

Mark Woodrum

Jeff Williams, CEO and Lynn Marcum was also present and L. Allyson Honaker, General Counsel, participate by Microsoft Teams.

Travis Finn and Jason Garmon with Jones, Nale & Mattingly LLC gave the audit report. Discussion was held regarding audit report. A motion was made by Greg Corbin to accept the audit report as presented and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the audit report is accepted.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held August 3, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Chris Tucker to accept the minutes and it was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, that the minutes of the August 3, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the September 6, 2023 special board meeting. All members of the Board

of Directors indicated they had received the mailing of the minutes. A motion was made by Kyle Milby to accept the special meeting minutes and it was seconded by Chris Tucker. The motion unanimously carried, RESOLVED, that the minutes of the September 6, 2023 special meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended August 31, 2023. All members indicated that they had received the Management Reports. Jeff Williams gave an update on the Financial Report. A motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Chris Tucker. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including member appreciation events, directors' photos, lineman's rodeo, bids for ROW and herbicide for next year, rate case and energy purchases and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case filed June 6, 2023 and CEO evaluations.

There was no old business to discussed.

New business was discussed regarding the new board policy drafted for conflicts of interests. Discussion was held. Chris Tucker made a motion to approve the Conflicts of Interest Policy and it was seconded by Greg Corbin. The motion unanimously carried, RESOLVED, Conflicts of Interest Policy is approved. A discussion was held on RUS funding that was approved in January. A motion was made by Chris Tucker to sign the required RUS forms for the funding

and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED that the RUS forms for funding will be signed. A discussion was held regarding a customer satisfaction survey that will be conducted by EKPC on behalf of the owner members.

A discussion was held on Taylor County Bank General Funds Write-Offs. A motion was made by Greg Corbin to approve the Taylor County Bank General Funds Write-Offs and it was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, Taylor County Bank General Funds Write-Offs are approved.

Mr. Taylor reported the total of \$13,465.37 in uncollectible write-offs. A motion was made by Greg Corbin and seconded by Kyle Milby to approve the write-offs, the motion was unanimously approved. RESOLVED, that the total in the amount of \$13,465.37 be written off.

A discussion on capital credits to be paid was held. A motion was made by Bradley Irvin and seconded by Wayne Stearman to pay capital credits in the amount of \$13,682.06 the motion was unanimously approved. RESOLVED to pay \$13,682.06 in capital credits.

A discussion was held to accept new members. A motion was made by Greg Corbin to accept new members and seconded by Kyle Milby. The motion unanimously carried, RESOLVED, new members are approved.

A discussion was held on Strategic Planning event in November and MSE presentation. A discussion was also held on the Board Policy on meeting attendance for directors. Mrs. Honaker will review for next meeting.

A motion was made by Chris Tucker to enter into executive session and was seconded by Mark Woodrum. The motion unanimously carried, the Board entered executive session. Discussions were held on confidential cooperative business. A motion was made by Greg Corbin

to exit executive session and was seconded by Kyle Milby. The motion unanimously carried and the Board returned to general session.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 8:48 p.m.


Secretary


SEAL

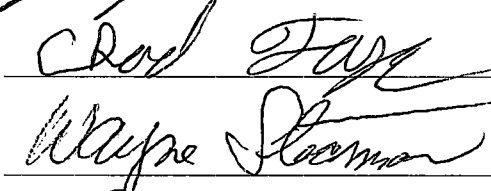
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
CAMPBELLSVILLE, KENTUCKY 42719

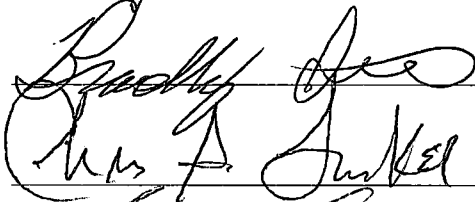
We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 28th day of September 2023, 4:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

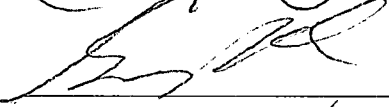
1. MSE Presentation of the Facility Planning Study.

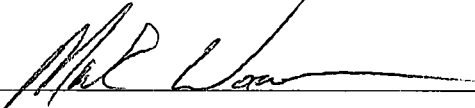
IN WITNESS WHEREOF, we have hereunto set our hands this 28th day of September, 2023.



David J. ...


Wayne ...


...


...


...

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, September 28, 2023, at 4:02 p.m., EST, at Holiday Inn Express located at 102 Plantation Drive, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Kyle Milby	Greg Corbin
Chris Tucker	Wayne Stearman
Chad Taylor	Bradley Irvin
Mark Woodrum	

Jeff Williams, CEO and Lynn Marcum were also present and L. Allyson Honaker, General Counsel, participated by Zoom.

A presentation was given by representatives of MSE of Kentucky, Inc. regarding a possible new headquarters building for Taylor County RECC and the MSE representatives left the meeting.

A motion was made by Greg Corbin to enter into executive session and it was seconded by Mark Woodrum. The motion unanimously carried and the Board entered into executive session. Discussion was had on confidential issues. Bradley Irvin made a motion to exit executive session and it was seconded by Kyle Milby. The motion unanimously carried and the Board exited executive session.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 5:33 p.m.


Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, October 5, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Kyle Milby

Greg Corbin

Chad Taylor

Wayne Stearman

Mark Woodrum

Bradley Irvin

Jeff Williams, CEO and Lynn Marcum was also present and L. Allyson Honaker, General Counsel, participate by Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held September 7, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the minutes of the September 7, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the September 28, 2023 special board meeting. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Kyle Milby to accept the special meeting minutes and it was seconded by Wayne Stearman. The motion unanimously carried, RESOLVED, that the minutes of the September 28, 2023 special meeting are approved.

Mr. Williams gave the lenders update. Mr. Williams gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended September 30, 2023. All members indicated that they had received the Management Reports. Patsy Walters gave an update on the Financial Report. A motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including arbitration update, ROW status for the year, member appreciation events, directors' photos and website update, lineman's rodeo, bids for ROW and herbicide for next year, strategic planning meeting and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case filed June 6, 2023 and the hearing being rescheduled due to hearing notice not published.

There was no old business to discussed.

New business was discussed regarding the Christmas dinner. A discussion was also held regarding Christmas bonuses for employees. A motion was made by Bradly Irvin to pay each employee a \$100.00 (after taxes) Christmas bonus and was seconded by Kyle Milby. The motion unanimously carried, RESOLVED, that employees will receive a \$100.00 (after taxes) Christmas bonus. The revised Board Policy on Director Attendance was reviewed. An additional change to Item No. 11 was discussed to remove director's spouse. Mrs. Honaker will revise and present a clean version of the Board Policy at the next board meeting for review. A discussion was held on temporarily revising the CoBank line of credit to increase by three million until the RUS loan

funds are received. A motion was made by Wayne Stearman to temporarily increase the line of credit from \$6 million to \$9 million with CoBank and was seconded by Kyle Milby. The motion unanimously carried, RESOLVD, that the CoBank line of credit is temporarily increased to \$9 million. A discussion was held on the CFC line of credit and temporarily extending it until the RUS funds are received. A motion was made by Greg Corbin to temporarily extend the CFC line of credit until the RUS funds are received and was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the CFC line of credit is temporarily extended.

Mr. Taylor reported the total of \$15,568.46 in uncollectible write-offs. A motion was made by Greg Corbin and seconded by Kyle Milby to approve the write-offs, the motion was unanimously approved. RESOLVED, that the total in the amount of \$15,568.46 be written off.

A discussion on capital credits to be paid was held. A motion was made by Bradley Irvin and seconded by Kyle Milby to pay capital credits in the amount of \$10,610.61 the motion was unanimously approved. RESOLVED to pay \$10,610.61 in capital credits.

A discussion was held to accept new members. A motion was made by Greg Corbin to accept new members and seconded by Kyle Milby. The motion unanimously carried, RESOLVED, new members are approved.

A discussion was held on Strategic Planning event in November and CFC training in January. A discussion was also held on the upcoming dates for member appreciation events and EKPC's strategic planning coming up.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned at 7:22 p.m.

SEAL


Secretary

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 4

RESPONSIBLE PARTY: Jeff Williams

Request 4. Provide any feasibility studies done for the potential of new headquarters for Taylor RECC.

Response 4. Please see the attached.



Taylor County RECC
Headquarters Building Project

Prepared by:

MSE
OF KENTUCKY, INC.

MSE of KY – Our Company

MSE is an architecture, engineering and planning consulting firm based in Lexington, KY. Our company has 50 years experience in planning and designing building and infrastructure systems for industrial and commercial settings and helping communities prepare for industrial locations.

- ▶ Planning and Design of Industrial/Warehouse/Commercial Buildings
- ▶ Planning and Design of Office Buildings/Public Facilities
- ▶ Site Planning and Evaluations
- ▶ Master Planning
- ▶ Preparation of Development Plans
- ▶ Planning Commission Submissions
- ▶ Planning and Design of Industrial Infrastructure
 - ▶ Water Systems for Domestic and Industrial Uses
 - ▶ Fire Protection Systems
 - ▶ Sewage Collection and Treatment Systems
 - ▶ Industrial Wastewater Pre-Treatment
 - ▶ Storm Water Control Systems
 - ▶ Gas Distribution Systems
 - ▶ Fiber Optic Networks
 - ▶ Industrial Access Roads
 - ▶ Rail Access
 - ▶ Site Grading/Site Preparation
 - ▶ Hydraulic Studies
 - ▶ Rate Studies



Project 11 - Office Center



Project 12 - Office Center

Portfolio of Similar Projects

SKRECC

SUMERSET HOUSEBOAT SITE
CONCEPT PLAN

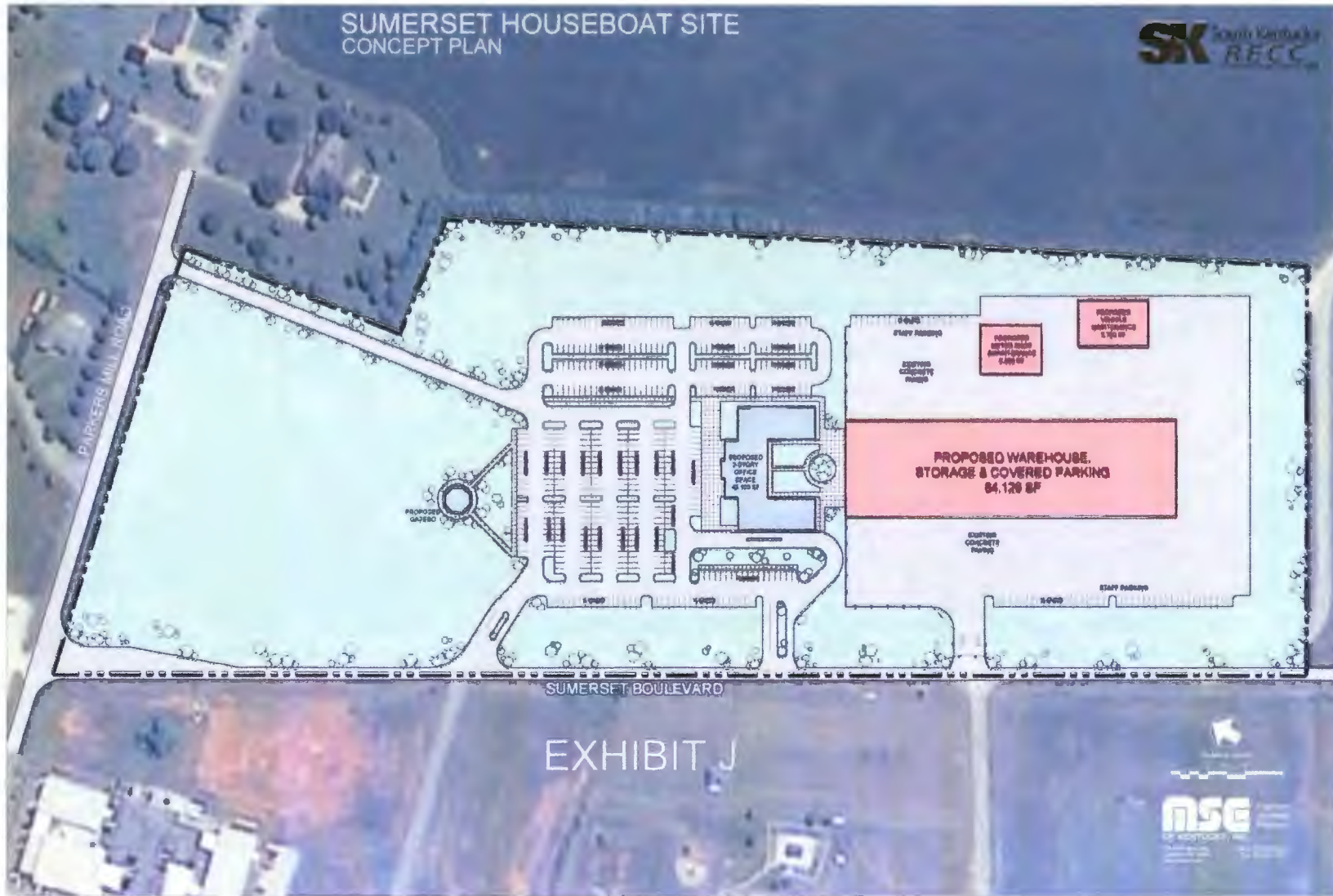
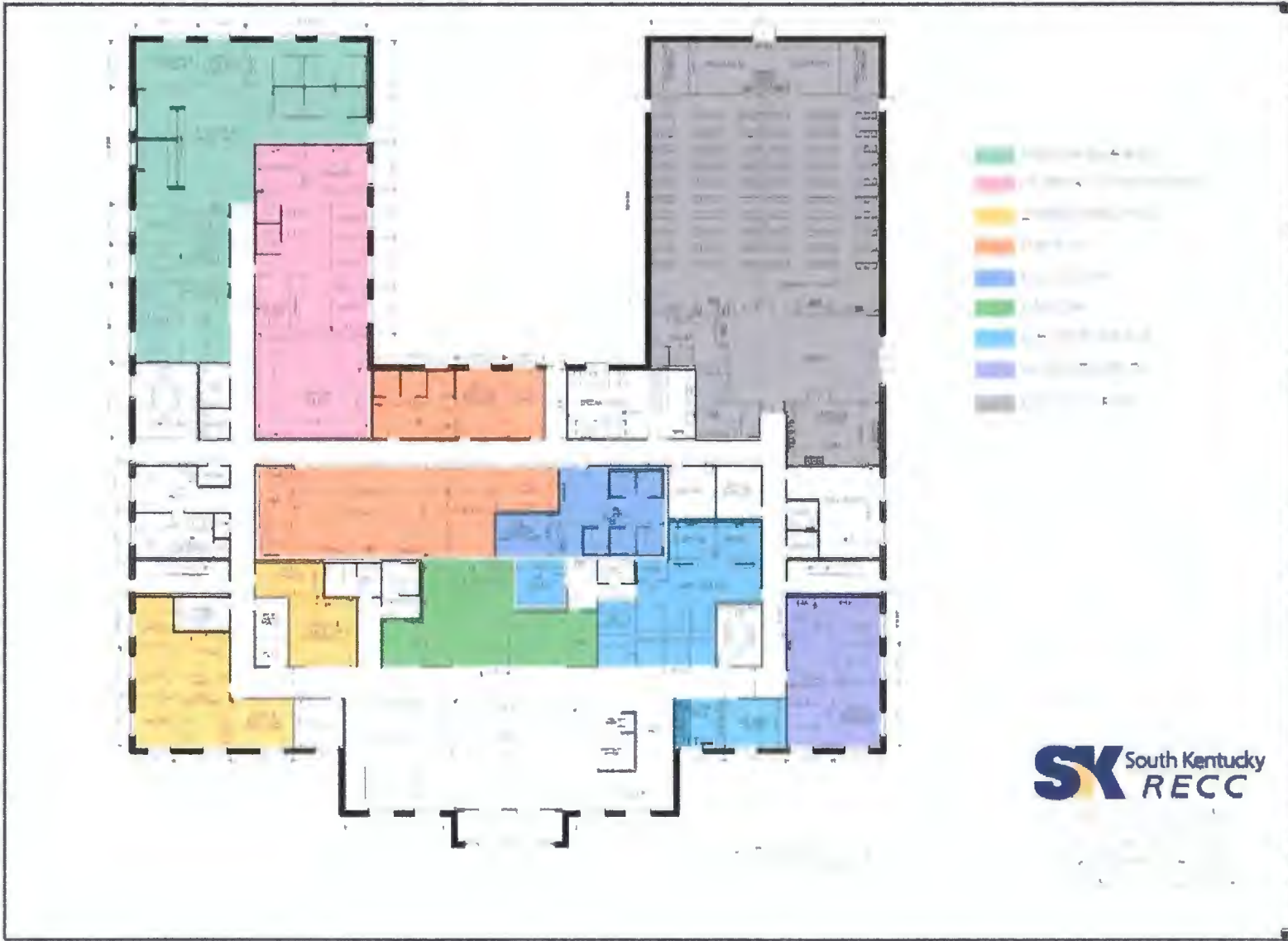


EXHIBIT J





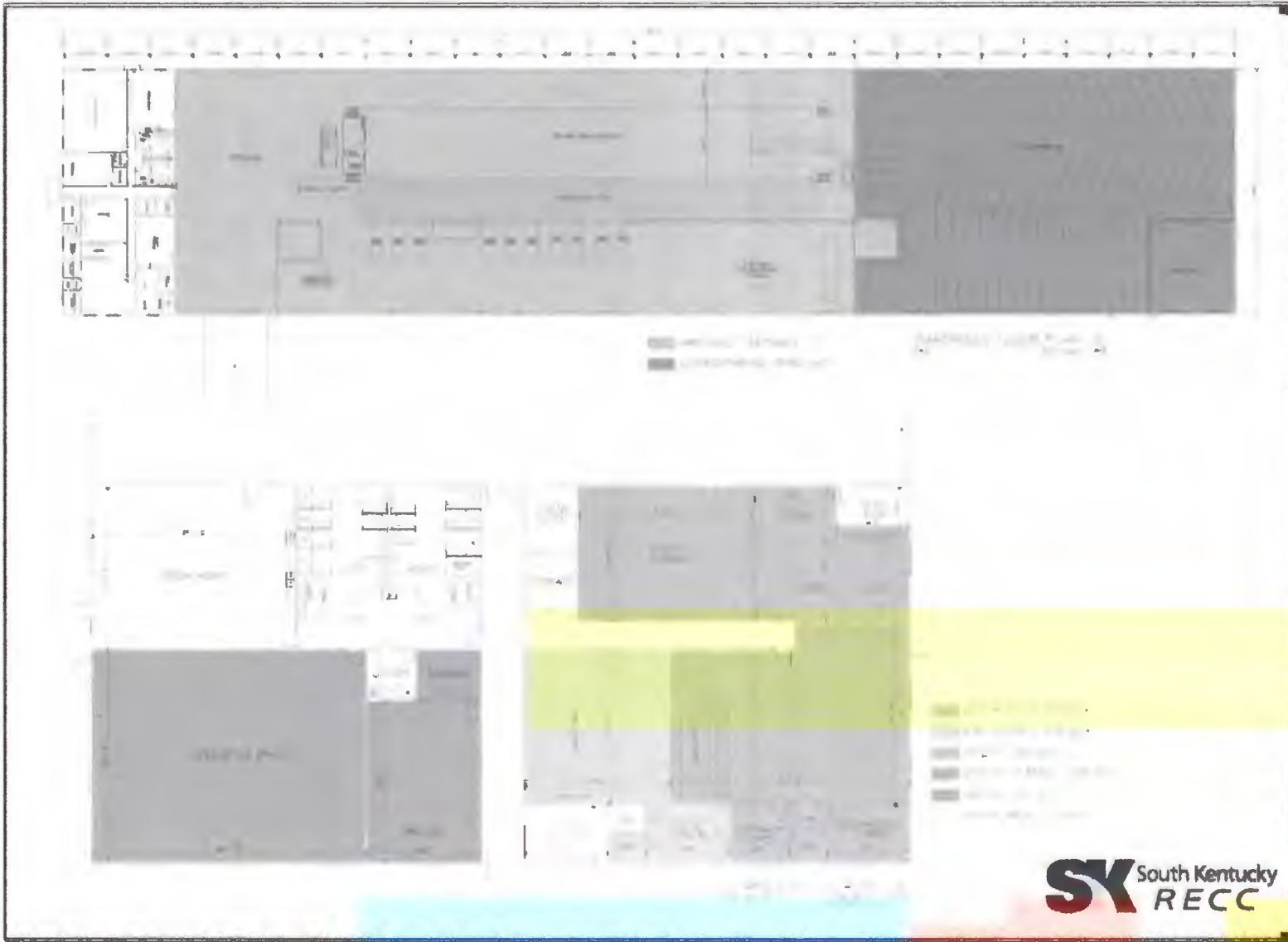
Figure 11.11: Industrial Manufacturing Facility When Acquired by South Kentucky RECC



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SK South Kentucky
RECC





PROJECT TITLE

SOUTH KENTUCKY RECC
DANIEL K. HARRIS

DATE

NSU
NORTHERN SOUTHERN UNIVERSITY
SCHOOL OF ARCHITECTURE

SX South Kentucky
RECC
A-3



SK South Kentucky
RECC

Prepared by:

mse
OF KENTUCKY, INC.

624 Wellington Way - Lexington, Ky. 40503
Ph (859)223-5694 - Fax (859)223-2607
www.mselex.com

Attachment 3

Headquarters Building

Project Expenditures At Substantial Completion Date of

December 23, 2016

AC 239 Land	\$ 1,000,000.00
AC 290 Building	\$ 11,044,018.53
AC 290 LED Lighting	\$ 14,000.00
AC 290 Professional Fees*	\$ 68,900.00
AC 291 Finishings	\$ 48,600.00
AC 293 Store Equipment	\$ 10,500.00
AC 294 Tools, Shop & Garage Equipment	\$ 14,700.00
AC 294 Fuel Tanks	\$ 10,800.00
AC 297 Communications Tower & Equipment	\$ 10,000.00
AC 293 Solar Panels	\$ 19,700.00
Total	\$ 23,020,520.47

* Professional Fees include professional services for Architectural, Structural, Mechanical, Electrical, and Plumbing, Design/Development, Construction Procurement, Bidding, Contract Administration, and Legal.

** The above reflects cash expenditure for the project's life by year. Total \$10,530



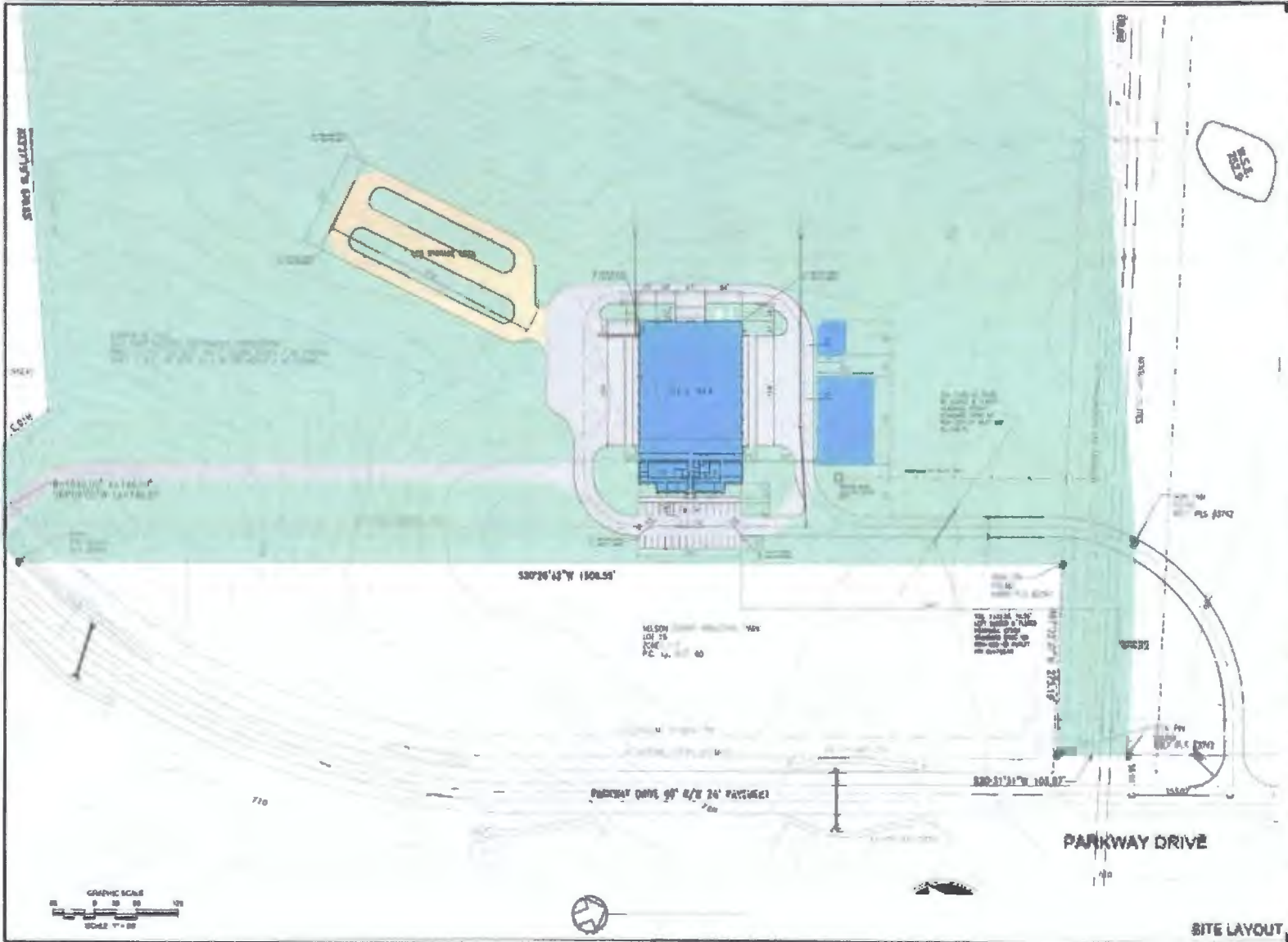
South Kentucky RECC

Location: Somerset, KY

- ▶65,860 SF Space
- ▶Two Story, 46,060 SF New Office Space
- ▶Warehouse
- ▶Storage
- ▶Operations and Maintenance
- ▶Covered Parking
- ▶Total 149,986 SF



Salt River Operations Center

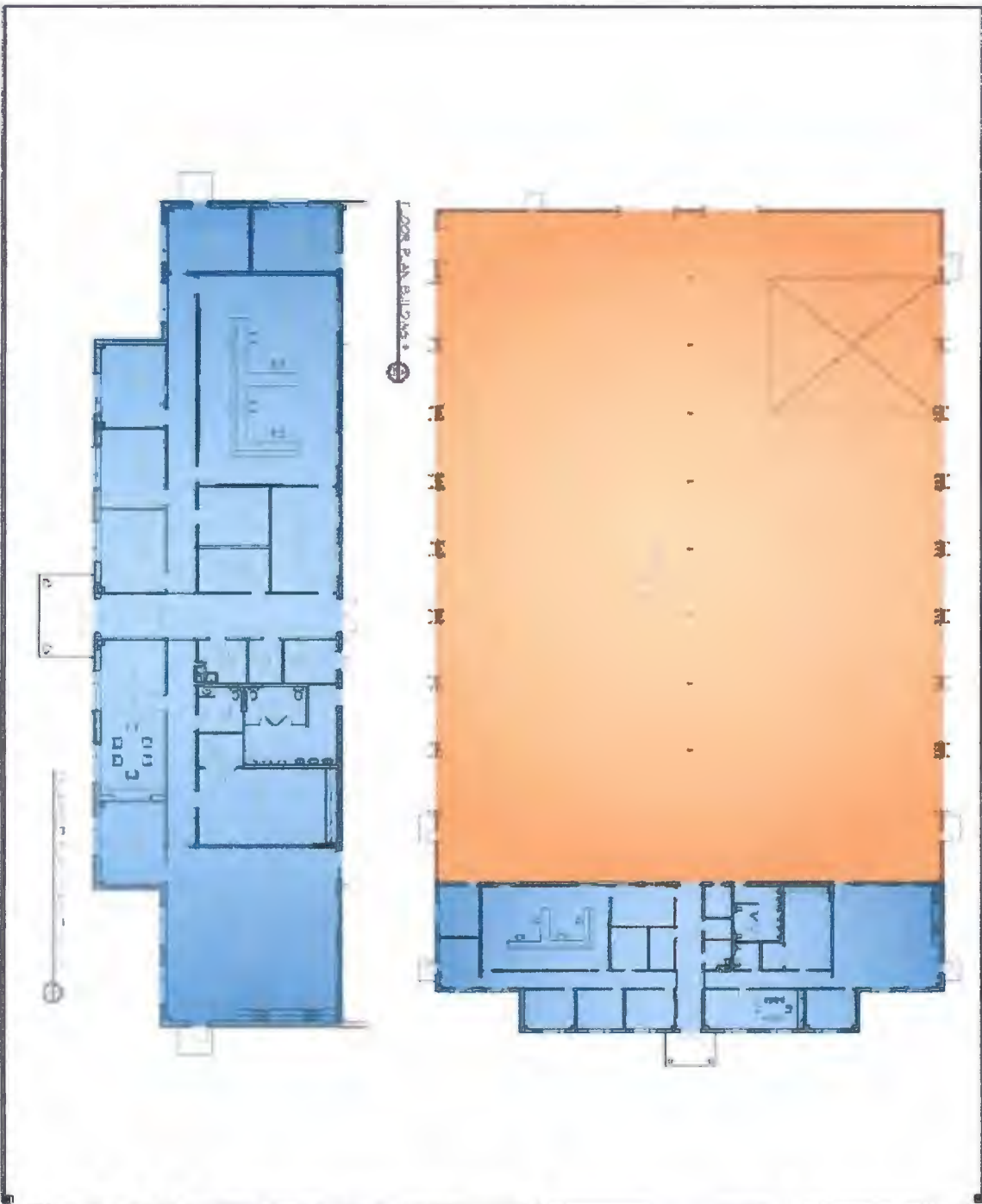


GRAPHIC SCALE
 0 25 50 75 100
 SCALE: 1" = 50'



SITE LAYOUT

SALT RIVER RECC TRUCK MAINTENANCE/WAREHOUSE <small>BARBOURSVILLE, KENTUCKY</small>	
<small>PROJECT NO. 2008-001</small>	<small>DATE: 10/22/08</small>
<small>DESIGNER: [Name]</small>	<small>CHECKED: [Name]</small>
NSC <small>CONSULTANTS OF KENTUCKY, INC.</small>	
SV1	



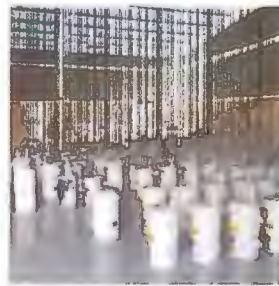
<p>A-1</p>	<p>NSC NATIONAL SERVICE CONTRACTORS 1000 W. WASHINGTON ST. SALT LAKE CITY, UT 84119 (801) 466-1234</p>	<p>PROJECT NO. 1000000000 DRAWING NO. 1000000000 DATE 10/10/00 SCALE AS SHOWN</p>	<p>SALT RIVER ELECTRIC WAREHOUSE/OPERATIONS CENTER 20000000000000000000</p>	
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**Salt River Electric
Operations/Maintenance Center
Location: Bardstown, KY**

▶36,000 SF

▶Houses the Electric Utility Storm Management/Dispatch and Repair Facilities

▶System Outage Maps that are Projected on Screens for Real Time Repair Notification



**Salt River Electric
Operations/Maintenance Center
Location: Bardstown, KY**



KY Linemen Training Center

Location: Somerset County, KY

▶27,000 SF (including Mezzanine)

▶8,300 SF (including climbing room)

▶Interior architectural design for Pole Climbing Areas



Additional Relevant Building Projects

Rajant

Location: Morehead, KY

▶48,000 SF

▶Design of the Original Spec Building

▶Fit-up for High Tech Communications Equipment and Warehouse Storage



Corbin Center

Location: Corbin, KY

- ▶ 20,420 SF
- ▶ 4,500 SF Multi Purpose Room w/16' Ceiling
- ▶ 4 Classrooms
- ▶ Computer Lab
- ▶ Private Offices
- ▶ Conference Room
- ▶ Kitchen



Aisin Automotive Corporate Offices

Location: London, KY

- ▶ 50,000 SF
- ▶ Utilities
- ▶ 2 Bedroom Guest House



Independent Stave

Location: Morehead, KY

- Design of Manufacturing Building, Boiler Building, Kiln Building, Storage Area, Product Storage Area, and Water Supply for Spinning
- Currently Largest Oak Lumber Maker in the World



Martin County Office Building

Location: Inez, KY

- ▶ 30,000 SF
- ▶ Houses Offices for Various Government Agencies



Corbin Government Center
Location: Corbin, KY

▶ 17,000 SF

▶ Two-Story

▶ Mayor's Office, City Administrative
Offices, 2nd Floor Courtroom and
Additional Office Space for Leasing



KCTCS Maysville - Rowan Campus
Location: Morehead, KY

- ▶ 36,160 SF
- ▶ Built-to-Suit Classroom Facility
- ▶ Laboratory Space for Five of the College's Programs – Auto Mechanics, Diesel Mechanics, HVAC, Welding and Construction



Rowan County Campus
Maysville Community and Technical College



Team Modern

Location: Somerset, KY

- ▶ 25,000 SF Total
- ▶ Design of Fit-up for New Corporate Offices (formerly SafeAuto)
- ▶ Architectural Representative for Distribution Center



EOS Technology

Location: Somerset, KY

- ▶ 20,000 SF
- ▶ State of the Art Technology
- ▶ Corporate Data and Communications Center for a Large Defense Contractor that Employs over 40,000 People



Relevant References

South Kentucky RECC (606) 678-4121

Kevin Newton, VP Engineering
Michell Herrman, VP Finance
Gary Redmon, Board Chair
Cathy Epperson, Board Vice Chair

Salt River Electric (502) 249-0531

Tim Sharp, CEO
Nicky Rapier, VP

East Kentucky Power (859) 595-9977

Rodney Hitch, Director

Southeast KY Economic Development (SKED) (606) 875-5811

Brett Traver, CEO

KY Lineman Training Center (270) 585-1547

Bennie Garland, Administrator

Corbin, KY Chamber and Economic Development (606) 215-6754

Bruce Carpenter, CEO

Team Modern (606) 416-4443

Michael Ray, CEO

Morehead, KY Chamber and Economic Development (606) 356-0182

Jason Slone, CEO

Ashland Alliance (606) 207-0042

Tim Gibbs, CEO

Goss Samford, PLLC (859) 268-7740

Mark David Goss



St. Joseph – London Healing Garden

Taylor County RECC Site Plan Concept



TAYLOR COUNTY RECC - CONCEPTUAL SITE PLAN
CAMPBELLVILLE, KENTUCKY



nsc

OF KENTUCKY, INC.



TAYLOR COUNTY RECC

Facility Planning Study

September 6th, 2023

Meet the Team



GARY HOBSON
Chairman



TIM MASA, LEED AP
President



NATE SCHEER, LEED GA
Project Director



Haley Dougherty, RA
Project Architect



JAMES BEVER, RA
Project Manager



Agenda

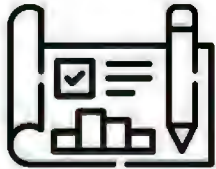
- Company Overview
- Facility Study
 - Property Conditions Assessment
 - Functionality Assessment
 - Needs Assessment
- Facility Conceptual Designs
 - Site Plan
- Schedule
- Next Steps

Company Overview

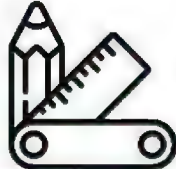
***A complete turnkey solution for the
planning, design, and construction of
electric cooperative facilities***

Value Proposition

- Total facility consultant; responsible for your TOTAL project, with a single point of accountability
- Turnkey solution brings value, control, quality, and owner satisfaction to each project
- Committed to and vested in the success of the electric cooperative industry



Facility
Planning



Design &
Engineering



Construction



Post-Build
Support

34

STATES
SERVICED
ACROSS THE
COUNTRY

3M+

SQUARE FEET OF
ELECTRIC
COOPERATIVES
BUILT

130+

ELECTRIC
COOPERATIVE
CLIENTS
SERVED

\$700M

ELECTRIC
COOPERATIVE
PROJECTS
COMPLETED

Geographic Footprint



Regional Footprint



Project Organizational Chart



Facility Planning Study



Purpose

The purpose of the Facility Planning Study is to provide **Taylor County RECC** with an objective tool to make prudent business decisions regarding current and future facility needs.

Components

1



**Property
Condition
Assessment
(PCA)**

2



**Functionality
Assessment
(FA)**

3



**Needs
Assessment
(NA)**

Facility Goals

- **Office**

- Improve member access to the facility with parking and entry improvements
- Provide better member service experience inside the facility and include accommodations for peak times and influx of member traffic.
- Improve staff and department adjacencies
- Address lack of meeting spaces, in size and quantity.
- Provide collaboration space for employees.
- Address storage needs
- Provide an efficient and functional workspace for employees

- **Operations**

- Consolidate material storage to improve organization and efficiency.
- Improve size and organization of warehouse
- Provide protection from weather for large vehicles
- Improve line crew room amenities and size.
- Improve size, efficiency, safety, and add needed equipment for the vehicle maintenance shop

- **Site**

- Improve mobility for fleet circulation and parking for more efficient morning and evening operations
- Improved member parking, drive thru, and security

Property Conditions & Functionality Assessments



Existing Site Conditions

- 11.5 Acre site
- 7 Major Buildings, Disconnected
- Secure Material Yard
- ~1 acre Substation
- Communication Tower
- Unsecure member and employee parking

Site Components

- 1 — Office Building, 15,000 SF
- 2 — Warehouse, 10,500 SF
- 3 — Covered Vehicle Storage, 8,200 SF
- 4 — PCB Storage, 1,000 SF
- 5 — Wash Bay, 1,300 SF
- 6 — Storage Barn, 3,000 SF
- 7 — Storage House, 1,600 SF

FA Qualifications

Building Qualifications

- Actual Space vs. Needs
- Age of Building / Useful Life
- Safety & Code Compliance
- Accessible Spaces
- Physical Condition
- Mechanical & Electrical Systems
- Hazardous Materials

Site Qualifications

- Size of Site
- Locations of Site
- Sewer & Water
- Parking & Traffic Control
- Ability for Future Expansion
- Drainage
- Environmental

Site: *Physical Conditions*

- Site is very steep; buildings are terraced from north to south on the steep site.
- The slope causes drainage issues for both buildings and graveled areas.
- Southwest corner of the site is unusable due to a sinkhole.



	Poor	Marginal	Good	<i>Taylor County</i>
Site	0 - 8	9 - 11	12 - 18	5

Site: *Physical Conditions*

- Main employee parking area is unsecured and shared with members and visitors.
- There is one accessible parking space, but it is in the main fleet entry drive-aisle.
- Approximately one acre of the site is being used for a substation.



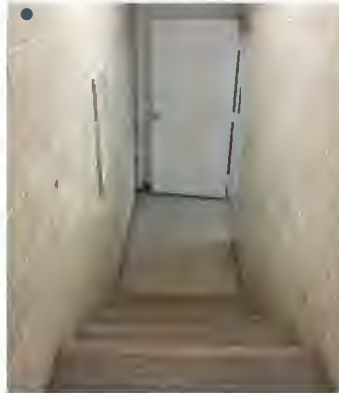
Office: *Physical Conditions*

- Improvements have been made to lobby, however:
 - Employees cannot hear members through glazing
 - Employees must escort members to restrooms
 - Difficult to access the drop box
 - No drive-thru or public conference room
- Workgroups separated throughout office
- Workspaces lack thermal comfort for employees
- Workgroups lack room for growth



Office: *Physical Conditions*

- ADA issues
 - Stairways without access to elevator or ramps
 - Interior rooms & restrooms
- Major renovations would be required in order to make these spaces compliant with current accessibility standards.



	Poor	Marginal	Good	Taylor County
Office	0 - 12	13 - 17	18 - 26	6

Office: *Physical Conditions*

- Storage spaces are spread throughout the building and are at capacity.
- Lack of meeting spaces.
- Lack of privacy for general manager
- General manager and executive assistant not located nearby



Office: *Physical Conditions*

- Aging Roof, HVAC, and plumbing systems.
- The condensate drains appeared to be clogged and leaking onto the floor.
- Lack of hardened space for critical equipment and employees
- Potential hazardous materials (asbestos & mold).



Warehouse: *Physical Conditions*

- The wood railing at the raised loading dock is not compliant with current building codes.
- The dock height appears to be higher than the standard 48".
- No protective bollards were located at the columns.
- The building experiences water leakage at the new restroom addition during large rains.



	Poor	Marginal	Good	Taylor County
Warehouse	0 - 12	13 - 17	18 - 26	6

Warehouse: *Physical Conditions*

- ADA issues
 - Stairways without access to elevator or ramps
 - Interior rooms & restrooms
- Material warehouse is full, without room for growth
- Standard forklift cannot maneuver in aisles.



Warehouse: *Physical Conditions*

- Maintenance bay does not have enough storage or workspace
- Lack of equipment, such as vehicle lifts.



Covered Vehicle Storage: *Physical Conditions*

- There is substantial surface rust on the exposed steel structure.
- There is not enough capacity or size for adequate coverage of all fleet vehicles on site
- The pad is too small for all transformers on site—overflow is located at the adjacent raised concrete pad



	Poor	Marginal	Good	Taylor County
Covered Vehicle	0 - 12	13 - 17	18 - 26	9

Covered Vehicle Storage: *Physical Conditions*

- The meter shop & storage room are full and lack room for growth.
- The linecrew room does not include any access to natural daylight or a restroom facility within the building.
- The linecrew room lacks room for growth.
- Most MEP equipment in the building appear past their useful life.



PCB Building: *Physical Conditions*

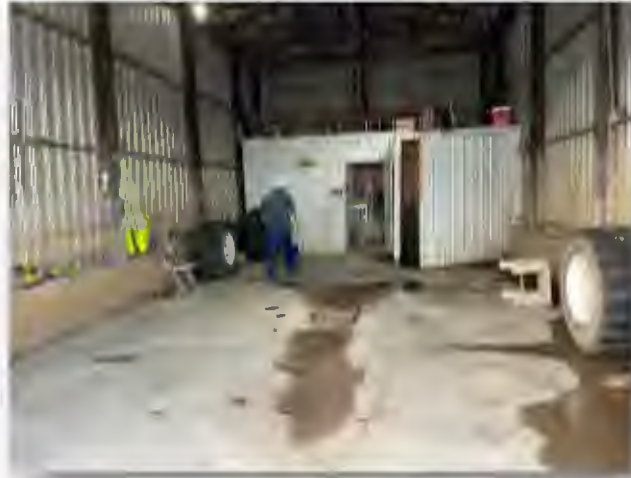
- The building appears to be sufficient for the cooperative's needs
- There is evidence of rust on the southern wall panels.



	Poor	Marginal	Good	<i>Taylor County</i>
Office	0 - 12	13 - 17	18 - 26	20

Wash Bay Building: *Physical Conditions*

- Plumbing fixtures and system does not appear to be code compliant
- The metal wall panels appears to be rusting in multiple locations



	Poor	Marginal	Good	Taylor County
Wash Bay Building	0 - 12	13 - 17	18 - 26	6

Storage Barn: *Physical Conditions*

- The wood structure is undermined by burrowing animals in at least one location, causing beams to sag.



	Poor	Marginal	Good	<i>Taylor County</i>
Storage Barn	0 - 12	13 - 17	18 - 26	12

Summary

Industry Standard Building Rating				
	Poor	Marginal	Good	<i>Taylor County</i>
Site	0 - 8	9 - 11	12 - 18	5
Office	0 - 12	13 - 17	18 - 26	6
Warehouse	0 - 12	13 - 17	18 - 26	6
Covered Vehicle	0 - 12	13 - 17	18 - 26	9
PCB Building	0 - 12	13 - 17	18 - 26	20
Wash Bay Building	0 - 12	13 - 17	18 - 26	6
Storage Barn	0 - 12	13 - 17	18 - 26	12

Needs Assessment (NA)



Existing Site

Needs Assessment Summary: *Taylor County*

Building	Existing (SF)	Needs (SF)
Office	11,000	20,850
Warehouse	3,000	8,000
Covered Material Storage	3,900	3,300
Enclosed Vehicle Storage	0	21,600
Covered Vehicle Storage	5,800	10,800
Maintenance & Wash Bay	1,600	8,640
Totals	25,300	73,190
NET DIFFERENCE		47,890

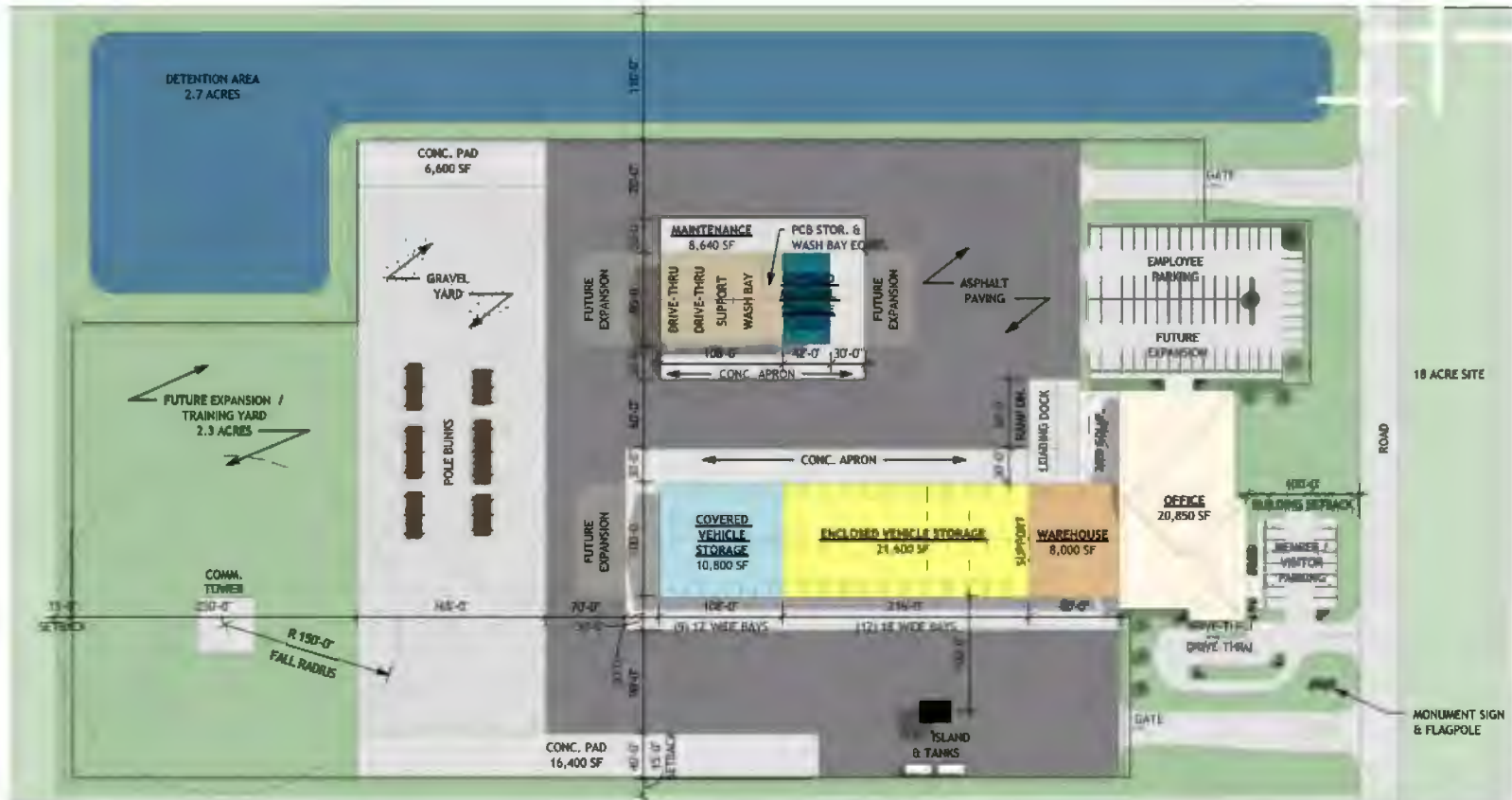
Facility Conceptual Designs Summary

Site Plans



Existing Site Concept

Greenfield Site Concept



Preconstruction Services



**Conceptual &
Detailed Estimating**



Value Analysis



**Schedule
Development**



Lead Time Review



**Potential Early
Release Packages**



**Procurement
Management**



**Constructability
Reviews**



**Sustainable
Building Concepts**



**Permits & Approval
Processes**



**Competitive
Bidding Process**

Facility Planning Process



35%
**Schematic
Design**

**Update
Design and
Cost Estimate**

**Cooperative
Approval**



60%
**Design
Development**

**Update
Design and
Cost Estimate**

**Cooperative
Approval**



100%
**Construction
Documents**

**Update
Design and
Cost Estimate**

**Cooperative
Approval**

Construction



Bidding Process Overview

- Invite qualified local and regional subcontractors to bid on package for project (30-40 bid packages)
- Hold a pre-bid meeting for interested bidders to attend
- Evaluate bid results
- Provide recommendation of award for each bid package for the Electric Cooperative to approve
- Issue a subcontract to successful bidder
- Finalize contract amount for project

Construction

- CBS team remains the constant from start to finish
- Evaluation and award of subcontracts
- Manage and coordinate construction
 - On-site daily supervision
 - Manage risks
 - Quality control
 - Safety enforcement
 - Ensure project schedule
 - Payment of all vendors
- Report to Owner
 - No day-to-day obligations for the Cooperative



Schedule & Next Steps

Timeline



Action Plan

1

APPROVAL OF FACILITY PLANNING STUDY'S CONCEPT PLAN

2

LAND PURSUIT & ACQUISITION

- Site Due Diligence
 - Geotechnical Engineering
 - Surveying
- Programming Test Fit
- Water Flow Testing
- Zoning & Permitting
- Environmental Considerations

3

APPROVAL TO START 35% SCHEMATIC DEVELOPMENT

- Prepare Updated Design, Schedule, & Estimate
- Cooperative Approval

4

PREPARATION OF PUBLIC SERVICE COMMISSION SUBMISSION

- Facility Planning Study Results
- Updated Schematic Design Budget
- Updated Construction Schedule
- Testimonials

Questions?



TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 5

RESPONSIBLE PARTY: Jeff Williams

Request 5. Provide purchase price and any paperwork related to mileage or usage for the vehicle used by Jeffrey Williams.

Response 5. Taylor County RECC purchased a 2022 Chevy Silverado 4WD Crew Cab in June 2022 in the amount of \$44,890.00 for the chief executive officer. The use of the CEO's truck is part of his contractual compensation and benefit package. As such, there is no paperwork associated with mileage. Currently, total mileage is 39,180.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 6

RESPONSIBLE PARTY: Patsy Walters

Request 6. Reference Corrected Exhibit 3, Schedule B2.

- a. Provide the initial date Taylor RECC drew on its CoBank short-term line of credit as well as the dates the line of credit was renewed since 1995.
- b. Provide the most recent renewal agreement as well as the dates of all additional draws on the account in the past three years.
- c. Provide the current interest rate for the line of credit.
- d. Provide the dates and amounts of all payments made on the line of credit for the last seven years.

Response 6a. Taylor County RECC's current revolving credit promissory note is dated December 17, 2018, as an unsecured credit facility. The loan commitment is reviewed and an annual decision made on January 31st. The line of credit has to be paid to a zero-balance every twenty-three months. Each new drawdown is a new agreement that must be signed by the Board of Directors and is for a time period not to exceed twenty-three months and must be paid off by

the maturity date. Taylor County has been a customer of CoBank since 1995 with its initial draw in 1997.

Response 6b. Attached is Taylor County's most recent revolving short-term line of credit agreements. Please see request 6d. for all additional draws on the account in the past three years.

Response 6c. The interest rate for CoBank's revolving short term line of credit for the week of October 29, 2023, is 7.23%.

Response 6d. Please see the Excel spreadsheet that is being uploaded into the electronic filing system separately which lists dates and amounts of all payments made on the line of credit for the last seven years.

AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE

THIS AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE (this “**Promissory Note**”) to the Credit Agreement dated December 17, 2018 (such agreement, as may be amended, hereinafter referred to as the “**Credit Agreement**”), is entered into as of December 17, 2018 between **COBANK, ACB**, a federally-chartered instrumentality of the United States (“**Lender**”) and **TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**, Campbellsville, Kentucky, a corporation (together with its permitted successors and assigns, the “**Borrower**”). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

RECITALS

(A) This Promissory Note amends, restates, replaces and supersedes, but does not constitute payment of the indebtedness evidenced by, the promissory note set forth in the Amended and Restated Promissory Note and Committed Revolving Credit Supplement numbered RIML0654S1B, dated as of December 8, 2015, between Lender and the Borrower.

SECTION 1. REVOLVING CREDIT COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower during the period set forth below in an aggregate principal amount not to exceed \$3,000,000.00, at any one time outstanding (the “**Commitment**”). Within the limits of the Commitment, the Borrower may borrow, repay and re-borrow.

SECTION 2. PURPOSE. The purpose of the Commitment is to finance the operating needs of the Borrower.

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to and including January 31, 2020, or such later date as Lender may, in its sole discretion, authorize in writing (the “**Term Expiration Date**”). Notwithstanding the foregoing, the Commitment will be renewed for an additional year only if, on or before the Term Expiration Date, Lender provides to the Borrower a written notice of renewal for an additional year (a “**Renewal Notice**”). If on or before the Term Expiration Date, Lender grants a short-term extension of the Commitment, the Commitment will be renewed for an additional year only if Lender provides to the Borrower a Renewal Notice on or before such extended expiration date. All annual renewals will be measured from, and effective as of, the same day as the Term Expiration Date in any year.

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. The loans will be made available as provided in Article 2 of the Credit Agreement.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **Weekly Quoted Variable Rate.** At a rate per annum equal at all times to the rate of interest established by Lender on the first Business Day of each week. The rate established by Lender will be effective until the first Business Day of the next week. Each change in the rate will be applicable

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01

to all balances subject to this option and information about the then current rate will be made available upon telephonic request.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("Interest Payment Date").

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loans on the Term Expiration Date, as the term may be extended from time to time.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth herein.

SECTION 7. SECURITY. Except for Lender's lien on the Borrower's equity in Lender, the Borrower's obligations hereunder and, to the extent related hereto, under the Credit Agreement, will be unsecured.

SECTION 8. FEES. INTENTIONALLY OMITTED.

SECTION 9. LETTERS OF CREDIT. If agreeable to Lender in its sole discretion in each instance, in addition to loans, the Borrower may utilize the Commitment to open irrevocable letters of credit for its account. Each letter of credit will be issued within a reasonable period of time after Lender's receipt of a duly completed and executed copy of Lender's then current form of Application and Reimbursement Agreement or, if applicable, in accordance with the terms of any CoTrade Agreement between the parties, and will reduce the amount available under the Commitment by the maximum amount capable of being drawn under such letter of credit. The Borrower agrees to pay to Lender any fees, administrative expenses, and other customary charges that Lender may charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of the letter of credit. Any draw under any letter of credit issued hereunder will be deemed a loan under the Commitment and will be repaid in accordance with this Promissory Note. Each letter of credit must be in form and content acceptable to Lender and must expire no later than the maturity date of the Commitment.

SIGNATURE PAGE FOLLOWS

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

**TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: *Donald D Shuffett*
Name: *Donald D Shuffett*
Title: *President*

*1-7-19
DSM*

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: _____



Name: _____

Tonya Butler

Title: _____

Assistant Corporate Secretary



6340 S. Fiddlers Green Cir.
Greenwood Village, CO 80111
(800) 542-8072
www.cobank.com

December 1, 2019

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
P.O. Box 100
Campbellsville, Kentucky 42719

**RE: Annual Renewal of Amended and Restated Revolving Credit Promissory Note
No. 14213610S01 / CIF # 14213610**

Dear Ms. Walters:

CoBank is pleased to notify you that we are hereby renewing your loan commitment for an additional year up to and including January 31, 2021, without changing the terms and conditions of your commitment. No action is necessary on your part for this annual renewal to be effective.

It is important that you keep this renewal notice with your original loan documentation.

Should you have any questions, please contact Luke Gaines at (800) 542-8072, (ext. 83220).

Sincerely,

A handwritten signature in blue ink that reads "Luke Gaines".

Assistant Corporate Secretary





6340 S. Fiddlers Green Cir.
Greenwood Village, CO 80111
(800) 542-8072
www.cobank.com

January 4, 2021

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
P O BOX 100
CAMPBELLSVILLE, Kentucky 42719

**RE: Annual Renewal of Amended and Restated Revolving Credit Promissory Note
No. 14213610S01 / CIF # 14213610**

Dear Ms. Walters:

CoBank is pleased to notify you that we are hereby renewing your loan commitment for an additional year up to and including January 31, 2022, without changing the terms and conditions of your commitment. No action is necessary on your part for this annual renewal to be effective.

It is important that you keep this renewal notice with your original loan documentation.

Should you have any questions, please contact Luke Gaines at (770) 618-3220.

Sincerely,

Assistant Corporate Secretary



6340 S. Fiddlers Green Cir.
Greenwood Village, CO 80111
(800) 542-8072
www.cobank.com

January 3, 2022

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
P O BOX 100
CAMPBELLSVILLE, Kentucky 42719

**RE: Annual Renewal of Amended and Restated Revolving Credit Promissory Note
No. 14213610S01 / CIF# 14213610**

Dear Ms. Walters:

CoBank is pleased to notify you that we are hereby renewing your loan commitment for an additional year up to and including January 31, 2023, without changing the terms and conditions of your commitment. No action is necessary on your part for this annual renewal to be effective.

It is important that you keep this renewal notice with your original loan documentation.

Should you have any questions, please contact Luke Gaines at (770) 618-3220.

Sincerely,

Assistant Corporate Secretary



6340 S. Fiddlers Green Cir.
Greenwood Village, CO 80111
(800) 542-8072
www.cobank.com

January 19, 2023

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
P O BOX 100
CAMPBELLSVILLE, Kentucky 42719

**RE: Annual Renewal of Amended and Restated Revolving Credit Promissory Note
No. 14213610S01 / CIF # 14213610**

Dear Ms. Walters:

CoBank is pleased to notify you that we are hereby renewing your loan commitment for an additional year up to and including January 31, 2024, without changing the terms and conditions of your commitment. No action is necessary on your part for this annual renewal to be effective.

It is important that you keep this renewal notice with your original loan documentation.

Should you have any questions, please contact Luke Gaines at (770) 618-3220.

Sincerely,

Odessa Chambers

Assistant Corporate Secretary



INSTRUCTION LETTER

June 22, 2023

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
625 W. Main St.
Campbellsville, Kentucky 42718

Dear Ms. Walters:

First, we want to thank you for your continued business and support of CoBank. We appreciate the opportunity to serve the financing needs of Taylor County Rural Electric Cooperative Corporation (the "Borrower"). As discussed in your Credit Agreement with CoBank, this instruction letter will provide details, in the form of a checklist that will assist you in managing the closing process. This instruction letter constitutes a "Loan Document." Capitalized terms used and not defined in this letter have the meanings given to them in the Credit Agreement or any other Loan Document.

Please return all signed documents, and other documents to be delivered, to the attention of Loan Processing Closing at your earliest convenience. A Federal Express label has been included for your use. You are welcome to expedite the processing of this transaction by e-mailing the signed documents to rickusings@cobank.com or by faxing the signed documents to Loan Processing Closing Fax No. (877) 222-1603, provided that all documents bearing the original ink signatures are mailed promptly to 6340 S. Fiddlers Green Cir., Greenwood Village, CO 80111.

CONDITIONS PRECEDENT. CoBank's obligation to extend credit pursuant to the documents listed below is conditioned upon the receipt of the following items, all of which must be acceptable in form and substance to CoBank in its sole discretion and in compliance with the requirements of the Loan Documents.

SIGNING AUTHORITY OF BORROWER

- Incumbency Certificate (Update as Needed).** Complete the new incumbency certificate only if authorized signers have changed since the last incumbency certificate was submitted to CoBank. If there are changes, obtain the signatures of all officers authorized by the resolution, and have the Secretary or Authorized Signatory complete the certification at the bottom of the form. If we do not receive a new incumbency certificate, we will rely on the enclosed last incumbency certificate we received from you.
- Organizational Documents and Certification.** Furnish a copy of the most recent bylaws, certified by the company's secretary or other authorized signatory of the company. An organizational document certification form has been provided for your use.

It is important that the documents listed below are executed by an officer authorized by your resolution and who has signed the most recent incumbency certificate (a copy with authorized titles and signatures circled is included).

BORROWER ITEMS TO BE DELIVERED OR COMPLETED

- This Letter.**
- Promissory Note No. 14213610S01-A.**
- Opinion of Counsel – CoBank Form.** Your legal counsel will need to provide an opinion at closing. The acceptable form in which to provide this opinion is enclosed. In addition, the opinion form in Word is also available from CoBank. Have your attorney work with our CoBank attorney to complete the opinion of counsel.
- Beneficial Ownership Certificate.** A Beneficial Ownership Certificate may be required to be completed prior to closing. You will receive this form directly from your Relationship Manager. Instructions for completing and returning the Beneficial Owner Certificate are included with the form. Please contact your Relationship Manager with any questions.

COBANK DISCLOSURE MATERIAL

- **Notice Regarding Electronic Signatures.**

When all condition precedent documents have been delivered, and CoBank has determined that all closing conditions have been met and the loan closes (the “Closing Date”), we will send you a copy of the signed document(s) that are countersigned by CoBank for your records.

The Borrower hereby represents that nothing in the Borrower Organizational Documents has changed since such documents were last submitted to CoBank and the Borrower remains in good standing in the jurisdiction of its incorporation or formation.

By signing this letter, Borrower hereby affirms and/or reaffirms each and every representation and warranty set forth herein and in any other Loan Documents.

This Instruction Letter, each Promissory Note and any other Loan Document may be executed in counterparts, each of which will constitute an original, but all of which when taken together will constitute a single contract. Delivery of an executed counterpart of a signature page of this Instruction Letter, each Promissory Note and any other Loan Document by facsimile or other electronic means will be as effective as delivery of a manually executed counterpart of each such agreement. This instruction letter constitutes a “Loan Document.” Capitalized terms used and not defined in this letter have the meanings given to them in the Credit Agreement or any other Loan Document.

If you have any questions, contact one of your CoBank team members:

CoBank Associate	Specialty	Phone Number	E-mail Address
Justin Brown-Vaughn	Relationship Manager	(770) 618-3217	jbrown-vaughn@cobank.com
Sarah Plimpton	Documentation	(800) 542-8072 Ext. 39859	saplumpton@cobank.com
Daphne J. Satriano	Closer	(800) 542-8072 Ext. 45914	djsatriano@cobank.com
John Olson	Responsible Attorney	(800) 542-8072 Ext. 4102	JoOlson@cobank.com

Sincerely,

Sarah Plimpton

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

**TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: Chad Taylor

Name: Chad Taylor

Title: President

APPROVED
By Chelsey Mayabb at 8:27 am, Jul 13, 2023

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: *Fidel Escalante*

Name: Fidel Escalante

Title: Assistant Corporate Secretary

ORGANIZATIONAL DOCUMENT CERTIFICATION

The undersigned hereby certifies the following:

1. The undersigned is the duly elected, qualified and acting secretary or other authorized signatory of and the custodian of the records of:

Taylor County Rural Electric Cooperative Corporation
(Name of Company)
Campbellsville Kentucky
(City) (State)

(hereinafter referred to as the "Company")

2. The Company is duly organized, existing, and in good standing under the laws of the State of Kentucky.
3. The attached documents are a full and correct copy of the internal organizational documents of the Company that are in full force and effect as of the date of this certificate. The following documents are attached:

- Bylaws dated: 11-26-18
 Operating Agreement dated: _____
 Partnership Agreement dated: _____
 Other: _____ dated: _____

4. All statements herein and the documents attached are representations made to CoBank, ACB for the purpose of obtaining and/or guaranteeing a loan or loans.

Dated this 7-12-23.

By: Mark Woodman
Printed Name: Mark Woodman
Title: Secretary
Company Name: Taylor County Rural Electric Cooperative Corporation

AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE

THIS AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE (this "**Promissory Note**") to the Credit Agreement dated December 17, 2018. (such agreement, as may be amended, hereinafter referred to as the "**Credit Agreement**"), is entered into as of June 22, 2023. between **COBANK, ACB**, a federally-chartered instrumentality of the United States ("**Lender**") and **TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**, Campbellsville, Kentucky, a corporation (together with its permitted successors and assigns, the "**Borrower**"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

RECITALS

(A) This Promissory Note amends, restates, replaces and supersedes, but does not constitute payment of the indebtedness evidenced by, the promissory note set forth in the Amended and Restated Revolving Credit Promissory Note numbered 14213610S01, dated as of December 17, 2018, between Lender and the Borrower.

SECTION 1. REVOLVING CREDIT COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower during the period set forth below in an aggregate principal amount not to exceed \$6,000,000.00, at any one time outstanding (the "**Commitment**"). Within the limits of the Commitment, the Borrower may borrow, repay and re-borrow.

SECTION 2. PURPOSE. The purpose of the Commitment is to finance the operating needs of the Borrower.

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to and including January 31, 2024, or such later date as Lender may, in its sole discretion, authorize in writing (the "**Term Expiration Date**"). Notwithstanding the foregoing, the Commitment will be renewed for an additional year only if, on or before the Term Expiration Date, Lender provides to the Borrower a written notice of renewal for an additional year (a "**Renewal Notice**"). If on or before the Term Expiration Date, Lender grants a short-term extension of the Commitment, the Commitment will be renewed for an additional year only if Lender provides to the Borrower a Renewal Notice on or before such extended expiration date. All annual renewals will be measured from, and effective as of, the same day as the Term Expiration Date in any year.

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. The loans will be made available as provided in Article 2 of the Credit Agreement.

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **Weekly Quoted Variable Rate.** At a rate per annum equal at all times to the rate of interest established by Lender on the first Business Day of each week. The rate established by Lender will

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-A

be effective until the first Business Day of the next week. Each change in the rate will be applicable to all balances subject to this option and information about the then current rate will be made available upon telephonic request.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("**Interest Payment Date**").

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loans on the Term Expiration Date, as the term may be extended from time to time.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth herein.

SECTION 7. SECURITY. Except for Lender's lien on the Borrower's equity in Lender, the Borrower's obligations hereunder and, to the extent related hereto, under the Credit Agreement, will be unsecured.

SECTION 8. FEES. INTENTIONALLY OMITTED.

SECTION 9. LETTERS OF CREDIT. If agreeable to Lender in its sole discretion in each instance, in addition to loans, the Borrower may utilize the Commitment to open irrevocable letters of credit for its account. Each letter of credit will be issued within a reasonable period of time after Lender's receipt of a duly completed and executed copy of Lender's then current form of Application and Reimbursement Agreement or, if applicable, in accordance with the terms of any CoTrade Agreement between the parties, and will reduce the amount available under the Commitment by the maximum amount capable of being drawn under such letter of credit. The Borrower agrees to pay to Lender any fees, administrative expenses, and other customary charges that Lender may charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of the letter of credit. Any draw under any letter of credit issued hereunder will be deemed a loan under the Commitment and will be repaid in accordance with this Promissory Note. Each letter of credit must be in form and content acceptable to Lender and must expire no later than the maturity date of the Commitment.

SIGNATURE PAGE FOLLOWS

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-A

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

By: Chad Jeyer
Name: Chad Taylor
Title: President

APPROVED
By Chelsey Mayabb at 8:27 am, Jul 13, 2023

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-A

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: *Fidel Escalante*

Name: Fidel Escalante

Title: Assistant Corporate Secretary

July 12, 2023

CoBank, ACB
6340 S. Fiddlers Green Circle
Greenwood Village, CO 80111
Attention: Electric Distribution Banking Division

Re: \$6,000,000.00 from CoBank, ACB ("CoBank") to Taylor County Rural Electric Cooperative Corporation (the "Borrower")

To Whom It May Concern:

We have acted as counsel for the Borrower, a corporation, in connection with the documentation of the loan(s) described above. In connection with the loan(s), the Borrower has executed and delivered the following documents (collectively, the "Loan Documents"):

- Instruction Letter dated June 22, 2023
- Amended and Restated Revolving Credit Promissory Note No. 14213610S01-A dated as of June 22, 2023, in the original principal amount of \$6,000,000.00
- Resolution of the Board of Directors authorizing the Loan Documents
- Incumbency Certificate

The terms defined in the Agreement and the Promissory Note(s) are used herein as defined therein.

In this connection, we have examined such corporate records, certificates, and other documents and instruments, and such questions of law as we have considered necessary or appropriate for the purposes of this opinion, including the Loan Documents. In our examination, we have assumed that all signatures (other than those of officers of the Borrower) on documents or instruments are genuine, that all documents submitted as originals are authentic, that all documents submitted as copies conform to the originals thereof, and that all documents have been duly authorized, executed, and delivered by each party thereto other than the Borrower.


Based upon the foregoing, and with due regard for such legal and other considerations as we deem appropriate, we are of the opinion that:

1. The Borrower is a corporation duly organized, validly existing, and in good standing under the laws of the State of Kentucky, and is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.
2. The Borrower has all requisite corporate and legal power and authority to own and operate its assets and to carry on its business and to enter into and perform the Loan Documents.
3. All corporate proceedings of the Borrower necessary to be taken in connection with the authorization, execution, delivery and performance of the Loan Documents have been duly taken and all such authorizations are presently in effect.

4. Each Loan Document has been duly executed and delivered by the Borrower and constitutes the valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as enforceability may be limited: (A) by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the rights of creditors generally; and (B) by general equitable principles which may limit the right to obtain the remedy of specific performance of obligation other than the obligation to pay money.
5. The execution, delivery, and performance by the Borrower of the Loan Documents do not and will not: (A) violate any provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, articles of organization, articles of incorporation, other charter documents, bylaws or operating agreement, as applicable, of the Borrower, or any agreement, indenture, mortgage, or other instrument to which the Borrower is a party or by which the Borrower or any of its properties is bound; or (B) be in conflict with, result in a breach of, or constitute with the giving of notice or passage of time, or both, a default under any such agreement, indenture, mortgage, or other instrument.
6. No consent, permission, authorization, order or license of any governmental authority is necessary in connection with the execution, delivery, performance, or enforcement of the Loan Documents, except such as have been obtained and are in full force and effect.
7. To the best of our knowledge, there are no actions, suits, or proceedings affecting the Borrower or any of its assets pending or threatened before any governmental entity which: (A) if adversely decided could have a material adverse effect on the Borrower's condition, financial or otherwise, operations, properties or business, or on its ability to perform its obligations under the Loan Documents; or (B) seeks to rescind, terminate, modify, or suspend any consent, permission, authorization, order or license of any governmental authority referred to in paragraph 6 above.

As to matters of law, we limit our opinion to the laws of the State of Kentucky and the laws of the United States of America and our opinions are limited to the facts and law in existence on the date of this opinion and at no subsequent time. We note that certain of the Loan Documents purport to be governed by Colorado law. For purposes of giving the opinions set forth above, we have assumed that Colorado Law is the same law as the State of Kentucky.

Very truly yours,



L. Allyson Honaker



INSTRUCTION LETTER

September 7, 2023

Ms. Patsy Walters, Accounting Supervisor
Taylor County Rural Electric Cooperative Corporation
625 W. Main St.
Campbellsville, Kentucky 42718

Dear Ms. Walters:

First, we want to thank you for your continued business and support of CoBank. We appreciate the opportunity to serve the financing needs of Taylor County Rural Electric Cooperative Corporation (the "Borrower"). As discussed in your Credit Agreement with CoBank, this instruction letter will provide details, in the form of a checklist that will assist you in managing the closing process. This instruction letter constitutes a "Loan Document."

Signing instructions for documents that need to be signed are provided below. Please return all signed documents, and other documents to be delivered, to the attention of Loan Processing Closing at your earliest convenience. A Federal Express label has been included for your use. You are welcome to expedite the processing of this transaction by e-mailing the signed documents to rlclosing@cobank.com or by faxing the signed documents to Loan Processing Closing Fax No. (877) 222-1603, provided that all documents bearing the original ink signatures are mailed promptly to 6340 S. Fiddlers Green Cir., Greenwood Village, CO 80111.

Please note that the enclosed Note is undated. We will date the document to reflect the closing date when we receive it back from you. Please be sure to date all other documents in the loan package.

CONDITIONS PRECEDENT. CoBank's obligation to extend credit pursuant to the documents listed below is conditioned upon the receipt of the following items, all of which must be acceptable in form and substance to CoBank in its sole discretion and in compliance with the requirements of the Loan Documents.

SIGNING AUTHORITY OF BORROWER

- Incumbency Certificate (Update as Needed).** Complete the new incumbency certificate only if authorized signers have changed since the last incumbency certificate was submitted to CoBank. If there are changes, obtain the signatures of all officers authorized by the resolution, and have the Secretary or Assistant Secretary complete the certification at the bottom of the form. If we do not receive a new incumbency certificate, we will rely on the enclosed last incumbency certificate we received from you.

It is important that the documents listed below are executed by an officer authorized by your resolution and who has signed the most recent incumbency certificate (a copy with authorized titles and signatures circled is included).

BORROWER ITEMS TO BE DELIVERED OR COMPLETED

- This Letter.**
- Promissory Note No. 14213610S01-B.**
- Beneficial Ownership Certificate.** A Beneficial Ownership Certificate may be required to be completed prior to closing. You will receive this form directly from your Relationship Manager. Instructions for completing and returning the Beneficial Owner Certificate are included with the form. Please contact your Relationship Manager with any questions.

COBANK DISCLOSURE MATERIAL

- **Notice Regarding Electronic Signatures.**

When all condition precedent documents have been delivered, and CoBank has determined that all closing conditions have been met and the loan closes (the “Closing Date”), we will send you a copy of the signed document(s) that are countersigned by CoBank for your records.

The Borrower hereby represents that: (i) nothing in the Borrower Organizational Documents has changed since such documents were last submitted to CoBank; (ii) the Borrower remains in good standing in the jurisdiction of its incorporation or formation; and (iii) the execution and delivery of Loan Documents using electronic signatures does not conflict with any applicable law or with any provision of Organizational Documents.

By signing this letter, Borrower hereby affirms and/or reaffirms each and every representation and warranty set forth herein and in any other Loan Documents.

This instruction letter constitutes a “Loan Document.” Capitalized terms used and not defined in this letter have the meanings given to them in the Credit Agreement or any other Loan Document.

If you have any questions, contact one of your CoBank team members:

CoBank Associate	Specialty	Phone Number	E-mail Address
Justin Brown-Vaughn	Relationship Manager	(770) 618-3217	jbrown-vaughn@cobank.com
Chelsey Mayabb	Closer	(800) 542-8072 Ext. 4109	cmayabb@cobank.com
Sarah Plimpton	Documentation	(800) 542-8072 Ext. 39859	saplimpton@cobank.com
John Olson	Responsible Attorney	(800) 542-8072 Ext. 4102	JoOlson@cobank.com

Sincerely,

Sarah Plimpton

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

**TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION**

By: Chad Taylor

Name: Chad Taylor

Title: President

APPROVED

By Chelsey Mayabb at 9:44 am, Oct 10, 2023

SIGNATURE PAGE TO INSTRUCTION LETTER

IN WITNESS WHEREOF, the parties have caused this Instruction Letter to the Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: *Fidel Escalante*

Name: Fidel Escalante

Title: Assistant Corporate Secretary



Loan No. 14213610S01-B

AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE

THIS AMENDED AND RESTATED REVOLVING CREDIT PROMISSORY NOTE (this "Promissory Note") to the Credit Agreement dated December 17, 2018 (such agreement, as may be amended, hereinafter referred to as the "Credit Agreement"), is entered into as of October 5, 2023, between **COBANK, ACB**, a federally-chartered instrumentality of the United States ("Lender") and **TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**, Campbellsville, Kentucky, a corporation (together with its permitted successors and assigns, the "Borrower"). Capitalized terms not otherwise defined in this Promissory Note will have the meanings set forth in the Credit Agreement.

RECITALS

(A) This Promissory Note amends, restates, replaces and supersedes, but does not constitute payment of the indebtedness evidenced by, the promissory note set forth in the Amended and Restated Revolving Credit Promissory Note numbered 14213610S01-A, dated as of June 22, 2023, between Lender and the Borrower.

SECTION 1. REVOLVING CREDIT COMMITMENT. On the terms and conditions set forth in the Credit Agreement and this Promissory Note, Lender agrees to make loans to the Borrower in an aggregate principal amount not to exceed, at any one time outstanding, the following amounts during each commitment period (the "Commitment"). Within the limits of the Commitment, the Borrower may borrow, repay and re-borrow.

Revolving Period	Amount of Commitment
the date hereof up to and including November 29, 2023	\$9,000,000.00
November 30, 2023 up to and including January 31, 2024	\$6,000,000.00

SECTION 2. PURPOSE. The purpose of the Commitment is to finance the operating needs of the Borrower.

SECTION 3. TERM. The term of the Commitment will be from the date hereof, up to and including January 31, 2024, or such later date as Lender may, in its sole discretion, authorize in writing (the "Term Expiration Date"). Notwithstanding the foregoing, the Commitment will be renewed for an additional year only if, on or before the Term Expiration Date, Lender provides to the Borrower a written notice of renewal for an additional year (a "Renewal Notice"). If on or before the Term Expiration Date, Lender grants a short-term extension of the Commitment, the Commitment will be renewed for an additional year only if Lender provides to the Borrower a Renewal Notice on or before such extended expiration date. All annual renewals will be measured from, and effective as of, the same day as the Term Expiration Date in any year.

SECTION 4. LIMITS ON ADVANCES, AVAILABILITY, ETC. The loans will be made available as provided in Article 2 of the Credit Agreement.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-B

SECTION 5. INTEREST. The Borrower agrees to pay interest on the unpaid balance of the loan(s) in accordance with the following interest rate option(s):

(A) **Weekly Quoted Variable Rate.** At a rate per annum equal at all times to the rate of interest established by Lender on the first Business Day of each week. The rate established by Lender will be effective until the first Business Day of the next week. Each change in the rate will be applicable to all balances subject to this option and information about the then current rate will be made available upon telephonic request.

Interest will be calculated on the actual number of days each loan is outstanding on the basis of a year consisting of 360 days and will be payable monthly in arrears by the 20th day of the following month or on such other day as Lender will require in a written notice to the Borrower ("**Interest Payment Date**").

SECTION 6. PROMISSORY NOTE. The Borrower promises to repay the unpaid principal balance of the loans on the Term Expiration Date, as the term may be extended from time to time.

In addition to the above, the Borrower promises to pay interest on the unpaid principal balance of the loans at the times and in accordance with the provisions set forth herein.

SECTION 7. SECURITY. Except for Lender's lien on the Borrower's equity in Lender, the Borrower's obligations hereunder and, to the extent related hereto, under the Credit Agreement, will be unsecured.

SECTION 8. FEES. INTENTIONALLY OMITTED.

SECTION 9. LETTERS OF CREDIT. If agreeable to Lender in its sole discretion in each instance, in addition to loans, the Borrower may utilize the Commitment to open irrevocable letters of credit for its account. Each letter of credit will be issued within a reasonable period of time after Lender's receipt of a duly completed and executed copy of Lender's then current form of Application and Reimbursement Agreement or, if applicable, in accordance with the terms of any CoTrade Agreement between the parties, and will reduce the amount available under the Commitment by the maximum amount capable of being drawn under such letter of credit. The Borrower agrees to pay to Lender any fees, administrative expenses, and other customary charges that Lender may charge or incur from time to time in connection with the issuance, maintenance, amendment (if any), assignment or transfer (if any), negotiation, and administration of the letter of credit. Any draw under any letter of credit issued hereunder will be deemed a loan under the Commitment and will be repaid in accordance with this Promissory Note. Each letter of credit must be in form and content acceptable to Lender and must expire no later than the maturity date of the Commitment.

SIGNATURE PAGE FOLLOWS

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-B

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

By: Chad Taylor

Name: Chad Taylor

Title: President

APPROVED
By Chelsey Mayabb at 9:44 am, Oct 10, 2023

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
Campbellsville, Kentucky
Promissory Note No. 14213610S01-B

SIGNATURE PAGE TO PROMISSORY NOTE

IN WITNESS WHEREOF, the parties have caused this Promissory Note to the Credit Agreement to be executed by their duly authorized officer(s).

COBANK, ACB

By: Fidel Escalante

Name: Fidel Escalante

Title: Assistant Corporate Secretary

ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 7

RESPONSIBLE PARTY: Patsy Walters

Request 7. Provide the agreements, including terms and any mileage or usage restrictions, of each of the leases listed in the auditor's report provided in Application, Exhibit PW-2, page 15, note 7.

Response 7. The Board voted July 7, 2022, to purchase the Volkswagen ID.4 Pro Electric Car instead of leasing. The automobile, in the amount of \$22,036.00 was removed from obligations under capital lease account dated 7/8/22 and no lease agreement was signed. Please see the remaining 4 truck lease agreements as of May 31, 2022.



Certificate of Organization

Customer Number: 5336113

600 Highway 169 South, Suite 300
Minneapolis, MN 55426

Lessor: FARM CREDIT LEASING SERVICES CORPORATION

Organization: TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Signer: BARRY L. MYERS

Capacity: President, Vice President, Secretary, General Partner, Member,
 Other (specify) Manager

Date: 03-07-2017

Organization Type: Cooperative

State of Organization: KENTUCKY

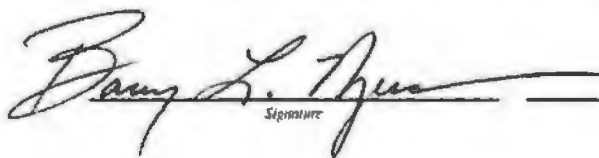
Legal Address: 625 W. Main St.
Campbellsville, KY 42718

The Signer referenced above certifies as follows, acknowledging that Lessor is relying thereon in entering into a transaction with the Organization referenced above and/or its affiliate:

1. Signer is elected or appointed to and acting in the Capacity specified above with the Organization; the Organization was formed and is operating under the laws of the State of Organization referenced above; true, correct and complete copies of all of the documents and agreements governing the Organization (including, without limitation, any operating agreement, charter, articles of incorporation, and/or bylaws of the Organization), and all amendments thereto as of the Effective Date (collectively, "Organization Documents") have been provided to Lessor; and the Organization is conducting business in accordance with the Organization Documents.

2. Organization's exact legal name is as set forth above, and such name is consistent with the name given in the Organization Documents; the Organization is (a) either duly registered and operating in good standing under the laws of the State of Organization referenced above, or not subject to any such registration requirement but is nevertheless in good standing under the laws of the State of Organization; and (b) duly registered as a foreign entity in each state in which it owns property or conducts business in a manner that would require it to register as a foreign entity.

3. Signer is authorized to make the representations contained herein on behalf of the Organization.

 _____ **Barry L. Myers** _____ **Manager**

Signature *Name* *Title*



Lease Agreement
Customer Number: 5336113

600 Highway 169 South, Suite 300
Minneapolis, MN 55426

Dated as of: March 07, 2017

Lessor and Lessee have executed this Lease Agreement, and hereby agree to the terms contained below and in any attachments made a part of this Lease Agreement.

This Lease and the attachments hereto constitute the entire agreement of the parties with respect to the leasing of the Equipment and the other subject matter of this Lease. This Lease supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition, or termination of this Lease shall be enforceable unless in writing and signed by Lessor and Lessee.

Lessor: FARM CREDIT LEASING SERVICES CORPORATION
By:

Signature *Name* *Title*

Address:
600 Highway 169 South, Suite 300
Minneapolis, MN 55426

Lessee(s): TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

 _____
Signature Barry L. Myers *Name* Manager *Title*

Address:
625 W. Main St.
Campbellsville, KENTUCKY 42718

STATE OF INCORPORATION/ORGANIZATION: KENTUCKY

In consideration of the mutual covenants hereinafter contained, the parties hereby agree as follows:

1. **LEASE OF EQUIPMENT.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, subject to the terms of this Lease Agreement ("Lease" or "Lease Agreement"), the equipment and other property (collectively, the "Equipment", any one item of which may be referred to individually as an "Item of Equipment") described in any Schedule A ("Schedule A") executed by Lessor and Lessee and made a part hereof. Lessee hereby authorizes Lessor to include in any Schedule A the serial number and other information identifying the Equipment when determined by Lessor. Time is of the essence in Lessee's payment and performance of each of its obligations under this Lease.

Each such Schedule A when executed by the parties shall be deemed to be a part of this Lease, it being understood and agreed that this Lease shall be a Master Lease. All Schedules, addenda or other attachments to this Lease executed by Lessor and Lessee are hereby incorporated herein and made a part hereof. Each Schedule A, incorporating the terms and conditions of this Lease, shall constitute a separate instrument of lease.

2. **RENTALS/LEASE TERM.** Lessee agrees to pay Lessor rentals for each Item of Equipment leased under this Lease as set forth in the Schedule A applicable to such Item of Equipment. All rentals shall be payable as described to Lessor at Lessor's mailing address set forth in such Schedule A, or to such other person or at such other place as Lessor may from time to time designate in writing. "Scheduled Lease Commencement Date" for purposes of this Lease shall be the first day of the month following the In-Service Date; provided, however, in the event the Daily Billing Option is selected on the applicable Schedule A, the Scheduled Lease Commencement Date shall be the In-Service Date. "In-Service Date" shall be the date Equipment is delivered and accepted by Lessee for lease as provided herein. The "Scheduled Lease Term" shall be as set forth in the applicable Schedule A. Rentals for each Item of Equipment shall commence on the Scheduled Lease Commencement Date with respect to each Item of Equipment. If the In-Service Date occurs prior to the Scheduled Lease Commencement Date, Lessor shall be entitled to a rental ("Interim Rent") for the period from such In-Service Date to the Scheduled Lease Commencement Date (the "Interim Period"). Interim Rent shall be computed by dividing all rentals other than Interim Rent due under the Lease by the actual number of days in the Scheduled Lease Term and multiplying this result by the actual number of days from In-Service Date to Scheduled Lease Commencement Date. Interim Rent (if any) shall be due on the Scheduled Lease Commencement Date. The Scheduled Lease Term, including any Minimum Term as described in Paragraph 3 below, together with the Interim Period, if any, and any renewal period(s) shall constitute the Lease Term ("Lease Term") for each Item of Equipment. Lessee agrees to pay Lessor at the expiration or other termination of the Lease Term, additional rents, as described in the Schedule A or any other document executed in connection with this Lease. The termination of this Lease with respect to certain Items of Equipment shall not affect the continuation of this Lease with respect to other Items of Equipment not subject to such termination. Unless otherwise provided in the event the Lessee exercises the option to renew the Lease, rentals for the renewal period shall be agreed to by the parties at the time of renewal.

3. **MINIMUM LEASE TERM.** The Minimum Lease Term, if any, ("Minimum Term") shall be set forth in the Schedule A for each Item of Equipment and shall commence on the Scheduled Lease Commencement Date. If the Minimum Term is less than the

Scheduled Lease Term, upon completion of the Minimum Term, the Lessee is deemed to have continued the Lease on a month-to-month basis, until completion of the Scheduled Lease Term unless the Lessee notifies the Lessor in writing 60 days prior to the end of the Minimum Term that it desires to terminate the Lease.

4. **FLOATING RENTAL RATE.** Notwithstanding any provision to the contrary contained in Paragraph 2 above, if Floating Rate is specified on the Schedule A applicable to an Item of Equipment, the Lessee's rental obligation for such Item of Equipment shall be adjusted at each rental due date based on the index specified on such Schedule A. Rental adjustments will be calculated based on monthly changes in the index up or down. Monthly changes in the index and the outstanding lease balance for each Item of Equipment will be used to compute an adjusted rental amount. Rental adjustments will be compounded and accumulated monthly and billed to the Lessee based on the Rental frequency specified on the appropriate Schedule A.

5. **LATE CHARGES.** If Lessee fails to pay any rental or other amount required to be paid by Lessee to Lessor, within 5 days after the due date thereof, Lessee shall (in addition to all other amounts due Lessor) pay Lessor the lesser of 1.5% per month, or, if less, the maximum amount allowed by law until paid on such unpaid amounts.

6. **SECURITY DEPOSIT.** If a Security Deposit amount is specified in the Schedule A, Lessee agrees to pay such amount to Lessor prior to the Scheduled Lease Commencement Date. If Lessee has fulfilled all terms and conditions herein, the Security Deposit shall be returned to Lessee without interest or it may be applied to any purchase option exercised by Lessee at the expiration of the Lease.

7. **NO WARRANTIES/LESSEE'S OBLIGATIONS (VENDOR NOT AN AGENT). LESSEE ACKNOWLEDGES THAT: LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN; THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, DESCRIPTION AND MANUFACTURE SELECTED BY LESSEE; LESSEE IS SATISFIED THAT THE EQUIPMENT IS SUITABLE AND FIT FOR ITS PURPOSES; LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE EQUIPMENT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT NOR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER; LESSOR SHALL NOT BE LIABLE TO LESSEE AND LESSEE HEREBY WAIVES ANY CLAIM IT MAY HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (CONSEQUENTIAL OR OTHERWISE) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT LEASED HEREUNDER. NO DEFECT OR UNFITNESS OF THE EQUIPMENT NOR ANY REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE VENDOR SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY ANY RENTALS OR PERFORM ANY OTHER OBLIGATION UNDER THIS LEASE. LESSEE UNDERSTANDS AND AGREES THAT**

NEITHER VENDOR NOR ANY SALES REPRESENTATIVE OR OTHER AGENT OF VENDOR, IS AN AGENT OF LESSOR. NO SALES REPRESENTATIVE OR AGENT OF VENDOR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE. Lessor hereby assigns to Lessee for the duration of this Lease all warranties received by Lessor with respect to the Equipment, to the extent assignable, and Lessor shall have no obligation whatsoever to make any claim on such warranty.

8. LOCATION/INSPECTION/MARKING. The Equipment at all times shall be located at the address specified in the applicable Schedule A unless Lessee has notified Lessor in writing of a change of location for each Item of Equipment and Lessor consents to such change. Lessee shall make the Equipment available for inspection by Lessor's representatives during Lessee's normal business hours and shall make Lessee's log, maintenance and other records pertaining to the Equipment available for inspection and duplication by Lessor's representatives. Lessee shall affix to or place on the Equipment such labels, plates, or other markings indicating Lessor's ownership in the Equipment as may be directed and supplied by Lessor.

9. USE. Lessee agrees all Equipment will only be used in Lessee's trade or business and will be operated by competent and qualified personnel only and in accordance with applicable operating instructions, laws, government regulations, and applicable insurance policies.

10. RISK OF LOSS/GENERAL INDEMNITY. Lessee hereby assumes the entire risk of and responsibility for bodily injury or death, and of damage to property, including the Equipment, and the loss of such property, from whatsoever cause during the Lease Term. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, losses, liabilities (including, without limitation, patent infringement, negligence, tort and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of or in any manner connected with the manufacture, sale, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, condition, operation, maintenance, repair, return or other disposition of the Equipment or with this Lease, including, without limitation, claims for injury to or death of persons, for damage to property, for violation of any law, rule or regulation of any public authority, and for environmental damage and clean-up. Lessee shall give Lessor prompt notice of any such claim or liability. The provisions of this Paragraph shall survive the expiration or termination of this Lease. Lessee agrees that upon written notice by Lessor of the assertion of any claim, action, damage, obligation, liability, or lien, Lessee shall, at its own cost and expense, at Lessor's written request, assume the full responsibility for the defense thereof. Any payment pursuant to this Paragraph shall include an amount equal to any taxes required to be paid by Lessor as a result of the receipt of such payment.

11. ALTERATIONS/REPAIRS/PERSONAL PROPERTY. Any improvement, replacement, addition, accessory, or repair part for the Equipment shall become the property of Lessor free of all liens and encumbrances and shall be deemed part of the Equipment. The Equipment is, and shall at all times be and remain, personal property, notwithstanding that any Item of Equipment or any part thereof shall now be or hereafter become in any manner affixed or attached to real property or any improvements thereof.

12. MAINTENANCE. Lessee shall pay all costs and expenses of whatever nature resulting from the use and operation of each Item of Equipment. Lessee, at its expense, shall keep the Equipment in good repair, condition and working order, in full compliance with all applicable manufacturer's recommendations, ordinary wear and tear excepted.

13. TAXES. Lessee shall pay when due, be responsible for and reimburse Lessor for all charges, taxes, fees and assessments (hereafter "Taxes") imposed, levied or assessed by any governmental body, authority, or agency (hereafter "Tax Jurisdiction"), required to be paid or collected by Lessor, on or relating to the Equipment leased hereunder and the sale, purchase, rental, operation, maintenance or use thereof (excluding any taxes on or measured by the net income or capital of Lessor) together with any penalties or interest applicable thereto, whether the same be payable by or assessed to Lessee or Lessor. Lessor shall report any and all necessary information for assessment of the Equipment regarding Taxes to the Tax Jurisdiction(s) relevant to the address specified in the applicable Schedule A, or any other address of which Lessee has notified Lessor in accordance with Paragraph 8 of this Lease Agreement. Lessor is under no obligation to notify Lessee of, defend against, nor contest any assessment imposed by any Tax Jurisdiction(s) with assessment authority under its governing law. Lessee shall also reimburse Lessor any costs and expenses incurred by Lessor (including reasonable attorneys' fees), as a result of Lessee's failure to reimburse Lessor for such Taxes. Lessee will reimburse Lessor for any reasonable costs incurred for the accurate assessment of the Equipment; however the Lessor is not obligated under this Lease Agreement to take any action on either the Lessee's or Lessor's behalf. The provisions of this Paragraph shall survive the expiration or termination of this Lease.

14. (RESERVED)

15. INSURANCE. Lessee shall at its own expense acquire and maintain, during the term hereof, with such insurers, in such form and under such policies as shall be satisfactory to Lessor, both:

a) all risk property insurance, naming Lessor as loss payee, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment. The amount of such insurance shall be at least equal to the Equipment Cost described in the Schedule A for each Item of Equipment; and

b) comprehensive general liability insurance including coverage for any bodily injury, death, or property damage which may be caused by or related to the Equipment or its operation, in amounts satisfactory to Lessor. Such insurance shall name Lessor as an additional insured.

If any loss occurs it shall be paid by check or draft payable to Lessor. Lessor may endorse Lessee's name thereon as Lessee's agent. Lessee shall furnish to Lessor a certificate of insurance indicating that such insurance coverages are in effect at the time the Equipment is delivered and shall deliver to Lessor, prior to the scheduled expiration or lapse of such insurance coverage evidence satisfactory to Lessor of renewal or replacement coverage. Such certificate shall provide that, (i) such insurance cannot be canceled or altered without at least 30 days prior written notice to Lessor, and (ii) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee or any other person other than Lessor with

respect to such policy or policies. If Lessee fails to pay insurance required to be provided by Lessee under this Lease, Lessor may, but is not obligated to provide such insurance. Lessee shall, upon demand reimburse Lessor for any costs, fees, or expenses incurred in providing such insurance.

16. CASUALTY OCCURRENCE.

a) For purposes of this Lease, a "Casualty Occurrence" shall mean any Item of Equipment destroyed, irreparably damaged, lost, stolen, unaccounted for, or taken or requisitioned by condemnation or otherwise during the term of this Lease or while in transit.

b) In the event that any Item of Equipment shall suffer a Casualty Occurrence, Lessee shall promptly and fully inform Lessor with respect thereto. Lessee shall pay to Lessor, on the first day of the month following the giving of such notice, an amount ("Casualty Loss Value") equal to the sum of: (i) the amount which will cause the Lessor to realize the same rate of return up to the date of the Casualty Occurrence that the Lessor would have realized had the Lease of the Equipment been in effect for the entire Lease Term; and (ii) all installments of rental then due with respect to that Item of Equipment. The total rental described in the Schedule A which contained an Item of Equipment for which a Casualty Loss Value was paid shall be reduced by a percentage derived by dividing the Cost of the Item of Equipment experiencing the Casualty Occurrence by the Total Equipment Cost described in such Schedule A. Lessor shall be entitled to receive and retain any proceeds from any insurance with respect to such Item of Equipment up to the amount of the Casualty Loss Value. Provided an Event of Default has not occurred and is continuing, Lessor shall pay over such insurance proceeds to Lessee to the extent such amounts exceed the Casualty Loss Value or the entire insurance proceeds received if Lessee has previously paid the Lessor the Casualty Loss Value. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessor may have in said Item of Equipment, in its then condition and location, without warranties, express or implied, and this Lease shall terminate with respect to such Item of Equipment.

17. LOSS AND DAMAGE. No loss, theft, damage, or destruction of Equipment shall relieve Lessee of the obligation to pay rent or perform any other obligation under this Lease. In the event of damage to any Item of Equipment which does not constitute a Casualty Occurrence, whether during the term of the Lease or while in transit, Lessee shall at its sole cost and expense immediately repair and restore such Item of Equipment to the condition required by this Lease. Upon receipt of evidence reasonably satisfactory to Lessor of completion of such repairs, Lessor will reimburse Lessee any insurance proceeds received by Lessor on account of such loss.

18. EVENTS OF DEFAULT. The following shall constitute Events of Default:

a) Lessee shall fail to pay all or any part of a rental payment or any other payment within 10 days after due and payable; or

b) Lessee shall fail to obtain and maintain the insurance required herein; or

c) Lessee shall fail to perform or shall breach any of the other covenants herein and shall continue to fail to observe or perform the same for a period of 10 days after written notice thereof by Lessor; or

d) Without Lessor's prior written consent, Lessee removes, sells, transfers, assigns, parts with possession, or sublets any Item

of Equipment; or

e) Lessee creates, incurs, or suffers to exist any mortgage, lien, or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this Lease or any of Lessor's interests thereunder; or

f) Lessee becomes insolvent, makes an assignment for the benefit of creditors, ceases or suspends its business, admits in writing its inability to pay its debts as they mature; or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against Lessee; or

g) Any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor proves to be incorrect in any material respect when made; or

h) Without Lessor's prior written consent, Lessee terminates its existence, changes its legal or organizational status, consolidates with, merges into, or conveys or leases substantially all of its assets as an entirety to any person, or, without 60 days prior written notice to Lessor, changes its legal name; or

i) Lessee shall be in material default under any other agreement executed with Lessor at any time; or

j) Lessee shall be in material default under any obligation for the payment of borrowed money, for the deferred purchase price of property or any payment under any lease agreement.

The occurrence of an Event of Default with respect to any Schedule A shall, at the sole discretion of Lessor, constitute an Event of Default with respect to any or all Schedule As to which Lessor is then a party. Notwithstanding the foregoing, Lessor may exercise all rights and remedies independently with respect to each Schedule A.

In this Paragraph 18, "Lessee" also means any guarantor of Lessee's obligations under the Lease and "Lease" also means any guaranty of those obligations.

19. REMEDIES UPON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lessor may do any one or more of the following with or without terminating this Lease:

a) Declare the entire amount of rental and other charges due and to become due hereunder for the entire Lease Term immediately due and payable;

b) Take immediate possession of any and all Equipment without notice;

c) Sell or lease any Equipment or otherwise dispose, hold, or use such Equipment at Lessor's sole discretion;

d) Demand payment of all costs incurred by Lessor in the course of correcting any default (including attorneys' fees and costs as described in Paragraph 28 herein);

e) Proceed against any or all security given in connection herewith which includes but is not limited to sureties and guarantors;

f) Upon notice to Lessee, cancel this Lease and any or all Schedules executed pursuant hereto. Any cancellation or any termination hereunder shall only occur upon such notice by Lessor and only as to such Items of Equipment included in such notice. This Lease shall continue in full force and effect as to the remaining Items of Equipment, if any;

g) Exercise any other right or remedy available to Lessor under the Uniform Commercial Code ("UCC") or any other applicable law. If this Lease is deemed at any time to be one intended as security or otherwise, Lessee agrees that the Equipment shall secure all amounts whatsoever owing by Lessee to Lessor;

h) Recover from Lessee, not as a penalty but as liquidated damages, an amount equal to the sum of: (i) any accrued and unpaid rentals as of the date the Lessor obtains possession of the Equipment following Lessee's default ("Repossession Date"); plus (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the 6 month U.S. Treasury Bill rate as of the Repossession Date; plus (iii) all costs and expenses incurred by Lessor in any repossession, recovery, storage, repair, sale, re-lease or other disposition of the Equipment including reasonable attorney's fees and costs incurred in connection with or otherwise resulting from the Lessee's default; plus (iv) the present value of the estimated residual value of the Equipment as of the expiration of the Lease, discounted at a rate equal to the 6 month U.S. Treasury Bill Rate as of the Repossession Date; Less the amount received by Lessor upon sale or re-lease of such Items of Equipment, if any.

Notwithstanding Paragraph 19(h) above, Lessor and Lessee agree that in the event it is adjudged or otherwise determined that following an Event of Default, Lessor is entitled to the present value of any damages owed to Lessor, the discount rate shall be equal to the 6 month U.S. Treasury Bill rate in effect at the time the Event of Default occurred. Lessor's rights and remedies provided hereunder or by law shall be cumulative and shall be in addition to all other rights and remedies available to Lessor. Lessor's failure to strictly enforce any provisions of this Lease or any other right available to Lessor shall not be construed as a waiver thereof or as excusing Lessee from future performance.

With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or other Collateral (as such term is defined in Paragraph 25 herein) securing Lessee's obligations hereunder, Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligations, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other Collateral for disposition, (ii) Lessor may comply with any applicable state or Federal law requirements in connection with any disposition of the Equipment or other Collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition of such Equipment and/or other Collateral, and (iii) Lessor may sell the Equipment or Collateral at public or private sale at which Lessor may purchase the Equipment or Collateral for its own account and apply the net proceeds (after deducting all reasonable expenses of Lessor) to amounts owed to Lessor after an Event of Default with Lessee remaining liable for any deficiency.

20. ASSIGNMENT/SUBLEASE.

a) LESSEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. ANY ATTEMPTED ASSIGNMENT BY LESSEE WITHOUT SUCH CONSENT SHALL BE NULL AND VOID AND SHALL BE AN EVENT OF DEFAULT UNDER THIS LEASE. No sale, assignment or sublease, whether authorized in this Lease or in violation of the terms hereof, shall relieve Lessee of its obligations, and Lessee shall remain primarily liable hereunder.

b) Lessor shall have the right, without notice to Lessee, to assign or create a security interest in this Lease, or assign any of

its rights or interests in this Lease, or in the Equipment. If Lessee is given notice of such assignment or security interest, Lessee shall acknowledge such assignment or security interest in writing upon terms satisfactory to Lessor. Upon written notice to Lessee from Lessor of any assignment or of any security interest created by Lessor hereunder, Lessee shall pay rentals directly to such assignee if directed by Lessor to do so. Lessee agrees to confirm in writing receipt of any notice of assignment, syndication, participation or placement, as reasonably may be requested by Lessor or any such assignee or participant (collectively, the "Assignee"). Lessee hereby waives and agrees not to assert against any such Assignee any defense, setoff, recoupment, claim or counterclaim which Lessee has or may at any time hereinafter have against Lessor or any person other than such Assignee, for any reason whatsoever. Lessee will provide reasonable assistance to Lessor in whatever manner necessary in order to permit Lessor to complete any resale, syndication, assignment, participation or placement of the transaction contemplated by this Lease. Upon such assignment and except as may otherwise be provided therein all references in this Lease to Lessor shall include such Assignee. Lessee acknowledges that any assignment or transfer by Lessor shall not materially change Lessee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Lessee.

21. **OWNERSHIP.** Title to the Equipment shall remain with Lessor at all times and Lessee shall have no right, title, or interest therein except as expressly set forth in this Lease.

22. **RETURN OF EQUIPMENT.** If Lessee does not exercise any purchase option provided in this Lease, at the expiration of the Lease Term or other termination of this Lease, Lessee shall, at its own expense, deliver the Equipment to such location as may be designated by Lessor. The Equipment shall be delivered by Lessee to Lessor in the same condition as it was when delivered to Lessee, normal wear and tear excepted. Lessor and Lessee agree that, notwithstanding terms contained in the Lease to the contrary, the Lease Term shall not expire until the Equipment is returned to Lessor as provided in this Paragraph. In addition to Lessor's other rights and remedies, if the Equipment is not returned in a timely fashion, or if repairs are necessary to place any Item of Equipment in the condition required under this Lease, Lessee shall continue to pay to Lessor per diem rent at the last prevailing rate under the applicable Schedule A with respect to such Item of Equipment, for the period of delay in redelivery, or for the period of time reasonably necessary to accomplish such repairs, as applicable. Lessor's acceptance of such rent on account of such delay or repair does not constitute a renewal of the term of the related Equipment or Schedule A or a waiver of Lessor's right to prompt return of the Equipment in proper condition.

23. **LESSEE'S OPTIONS.** So long as all amounts due Lessor have been paid and no Event of Default has occurred and is continuing, Lessee may, upon at least 60 days advance written notice to Lessor, have the option at the expiration of the Minimum Term to: (i) purchase the Equipment at fair market value; (ii) continue the Lease as provided in Paragraph 3 of this Lease; or (iii) return the Equipment to Lessor as provided in Paragraph 22 herein. So long as all amounts due Lessor have been paid and no Event of Default has occurred and is continuing, Lessee may, upon at least 60 days advance written notice to Lessor, have the option at the expiration of the Scheduled Lease Term to: (i) purchase the Equipment at the Purchase Option Amount specified on the applicable Schedule A or if no such amount is specified, at fair market value; (ii) renew the Lease as provided in Paragraph 2 herein; or (iii) return the Equipment to Lessor as provided in Paragraph 22 herein. As used

in this Paragraph 23, Equipment shall mean all, but not less than all, of the Equipment described in any Schedule A.

24. NOTICES.

a) Any requirement of the UCC or other applicable statute of reasonable notice shall be met if such notice is given at least 10 days before the time of sale, disposition, or other event or thing giving rise to the requirement of notice.

b) All notices or communications hereunder shall be in writing, personally delivered, delivered by overnight courier service, sent by facsimile or other electronic transmission (with confirmation of receipt), or sent by certified mail, return receipt requested, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of receipt.

c) Lessor and Lessee may in writing at any time, and from time to time, change the address to which notice shall be delivered or mailed.

25. **FURTHER ASSURANCES/FINANCING STATEMENTS/SECURITY INTEREST.** Lessee will promptly execute, or otherwise authenticate, and deliver to Lessor such further documents, instruments, assurances and other records, and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Lease and to establish and protect the rights and remedies created or intended to be created in favor of Lessor under this Lease (including, without limitation (i) lien searches, (ii) certificates of title, and (iii) such UCC financing statements, fixture filings and waivers as reasonably may be required by Lessor in connection with any Item of Equipment, any change in circumstances relating to Lessee, or otherwise); provided, however, Lessee hereby authorizes Lessor to file any and all of the same without Lessee's authentication, to the extent permitted by applicable law. Lessee shall provide written notice to Lessor not less than 30 days prior to any contemplated change in the name, the jurisdiction of organization, or address of the chief executive office, of Lessee and Lessee shall pay to Lessor all costs incurred by Lessor including reasonable attorneys' fees, to prepare and file any documents, including UCC financing statements, relating to any such change. In order to secure the prompt payment of the rentals and all of the other amounts from time to time outstanding under and with respect to this Lease, and the performance and observance by Lessee of all the agreements, covenants and provisions hereof, or in the event this Lease should be construed as a lease intended as security, or otherwise, Lessee hereby grants to Lessor a first priority security interest in the Equipment together with, all additions, attachments, accessories and accessions thereto, whether or not furnished by the supplier of the Equipment, any intangibles, including software, all security deposits, and any and all substitutions, replacements or changes for any Item of Equipment (collectively, the "Collateral"), and any and all insurance and/or other proceeds of the Equipment and the Collateral and in such event Lessor shall have all of the rights and remedies of a secured party under the UCC.

26. **NON-CANCELABLE LEASE/OBLIGATIONS UNCONDITIONAL/ WAIVER. THIS LEASE CANNOT BE CANCELLED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. LESSEE HEREBY AGREES THAT LESSEE'S OBLIGATION TO PAY ALL RENTALS AND PERFORM ALL OTHER OBLIGATIONS HEREUNDER SHALL BE ABSOLUTE, IRREVOCABLE, UNCONDITIONAL AND INDEPENDENT AND SHALL BE**

PAID AND PERFORMED WITHOUT ABATEMENT, DEDUCTION OR OFFSET OF ANY KIND OR NATURE WHATSOEVER.

27. **REPRESENTATIONS AND WARRANTIES OF LESSEE.** Lessee represents and warrants that: (i) Lessee is duly organized, validly existing and in good standing under the laws of the jurisdiction specified below the signature of Lessee, and the organizational number assigned to Lessee by such jurisdiction, if any, is as specified below the Lessee's signature; (ii) Lessee's full and accurate legal name is as first provided above; (iii) Lessee is duly qualified to do business wherever necessary to carry on its present business and operations; (iv) Lessee has full power, authority and legal right to enter into and perform this Lease and the execution, delivery and performance of such documents have been duly authorized, do not require the approval of any governmental body, will not violate any judgment, order, law or regulation applicable to Lessee or any provision of Lessee's certificate of incorporation or bylaws, if any, or constitute a default under, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the Lessee under any agreement or instrument to which Lessee is a party or by which Lessee or its assets may be bound or affected; (v) this Lease and all schedules and attachments shall have been duly entered into, delivered and shall constitute, legal, valid and binding obligations of Lessee, enforceable in accordance with their terms when executed by Lessor and Lessee; (vi) there are no pending or threatened actions or proceedings to which Lessee is a party, and there are no threatened actions or proceedings of which Lessee has knowledge, which either individually or in the aggregate would have a material adverse effect on the business or operations of Lessee.

28. **ATTORNEYS' FEES AND COSTS.** Lessee acknowledges that Lessee shall be liable for all reasonable attorneys' and other legal fees (including consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or arbitration) and other enforcement costs and expenses (including court costs and other related litigation costs) incurred by reason of any default, Event of Default, the exercise of Lessor's rights or remedies, Lessor's enforcement or defense of any other provisions of this Lease, including all expenses incurred in connection with the return or other recovery of any Equipment or other Collateral, the sale, re-lease or other disposition thereof (including but not limited to costs of transportation, possession, storage, refurbishing, advertising and brokers' fees) and all other pre-judgment and post-judgment enforcement related actions taken by Lessor, and/or any actions taken by Lessor in any bankruptcy case involving Lessee, the Equipment or any other Collateral.

29. **FINANCIAL STATEMENTS.** Lessee shall promptly furnish Lessor with Lessee's annual certified financial statements. Lessee shall also furnish Lessor with other financial information as Lessor may reasonably request. If Lessee does not have certified financial statements available in the normal course of business, Lessee shall provide uncertified financial statements that accurately reflect Lessee's financial condition including copies of its most recent federal income tax returns.

30. **ENFORCEABILITY/CAPTIONS.**

a) If any part, term, or provision of this Lease is held by any court to be unenforceable or prohibited by law, the rights and obligations of the parties shall be construed and enforced with that

part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Lease did not contain that particular part, term, or provision.

b) This Lease shall not be effective unless and until accepted by execution by Lessor at the address as set forth below the signature of Lessor.

c) This Lease may be modified only by a written instrument executed by Lessor and Lessee.

d) This Lease shall inure to the benefit of Lessor, its successors, and assigns, and all obligations of Lessee shall bind its permitted successors and assigns.

e) The headings in this Lease have been included for ease of reference only and shall not be considered in the construction or interpretation of this Lease.

f) This Lease may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Lease by facsimile or email shall be as effective as delivery of a manually executed counterpart of this Lease.

31. GOVERNING LAW - WAIVER OF JURY TRIAL. THIS LEASE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER, SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF MINNESOTA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE EQUIPMENT. LESSEE AND LESSOR HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION OR PROCEEDING TO WHICH LESSEE AND/OR LESSOR MAY BE A PARTY ON ANY MATTER WHATSOEVER BASED UPON, ARISING OUT OF, OR IN ANY WAY PERTAINING OR RELATED TO, OR CONNECTED WITH, THIS LEASE OR ANY OTHER AGREEMENT OR INSTRUMENT EXECUTED IN CONNECTION HERewith OR ANY OBLIGATIONS HEREUNDER OR THEREUNDER. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY LESSEE AND LESSOR, WHO ACKNOWLEDGE THAT NO REPRESENTATIONS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THIS WAIVER SHALL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LEASE OR SUCH OTHER AGREEMENTS OR INSTRUMENTS.

32. POSSESSION OF EQUIPMENT. The parties acknowledge that circumstances may from time to time arise in which it becomes necessary or practical for Lessee to take possession, custody, and/or control of equipment and other property, intended by the parties to be leased hereunder (or arrange for shipment thereof by the vendor) prior to formal execution of a Schedule A and/or delivery and acceptance of equipment and other property. In such circumstances, and in absence of an Interim Funding Agreement, the following additional terms and conditions shall apply:

a) Such equipment and other property shall be deemed to be "Equipment" as defined in Paragraph 1 of this Lease immediately upon the earlier to occur of the following: (i) the Lessee takes

possession, custody, or control of such Equipment, or (ii) if shipment is made under terms that pass title and/or risk of loss to the purchaser upon the vendor's delivery to the carrier, upon delivery to the carrier. At that time, such Equipment shall immediately be subject to the terms and conditions of this Lease, including without limitation Paragraph 10 on Indemnification and Paragraph 15 on Insurance, and Lessee shall be fully responsible for such Equipment in accordance with this Lease, provided, however, that the In-Service Date for purposes of determining the commencement of Interim Rent and the Scheduled Lease Commencement Date under Paragraph 2 of this Lease shall remain governed by the date of delivery and acceptance, as provided therein.

b) To the extent that the foregoing occurs prior to the formal execution of a Schedule A for such Equipment, and the parties have not executed a Schedule A for such Equipment on terms and conditions acceptable to Lessor within 30 days thereafter, then Lessee shall, upon Lessor's demand, purchase such Equipment from Lessor for an amount equal to the total of (i) the purchase price paid by Lessor, (ii) all applicable taxes, fees, and other charges paid by Lessor in connection with the acquisition of such Equipment, (iii) any other amounts paid, and expenses incurred, by Lessor in connection with the Equipment, and (iv) rental from the In Service Date through the date of purchase in an amount per month equal to 1% of the purchase price of such Equipment, plus all applicable taxes thereon. In addition, Lessee will pay all applicable taxes, fees, and other charges associated with the transfer of title to such Equipment from Lessor to Lessee. Nothing in this Paragraph 32 shall be construed to authorize Lessee to operate any motor vehicle leased hereunder prior to satisfaction of applicable legal requirements with respect to titling, registration, and insurance

33. FAIR MARKET VALUE. "Fair market value," as to each Item of Equipment for all purposes in connection with this Lease, shall have the meaning and shall be determined in accordance with the procedure set forth in this Paragraph 33. Fair market value shall be determined on the basis of, and be equal in amount to, the value which would be obtained in an arm's length transaction between an informed and willing buyer-user (other than a lessee currently in possession or a used equipment dealer) under no compulsion to buy, and an informed and willing seller under no compulsion to sell, and, in such determination, costs or removal from the location of current use shall not be a deduction from such value.

In the event Lessor and Lessee shall be unable to agree upon the fair market value of an Item of Equipment, a determination of fair market value shall be made under the provisions of this Paragraph 33. The party requesting such determination shall deliver a written notice to the other party so indicating and appointing an appraiser selected by the requesting party to determine the fair market value. Within 15 days after the receipt of such written notice the party receiving such notice shall deliver to the requesting party a written notice appointing an appraiser of its selection to make such determination. The two appraisers appointed in such written notices shall meet promptly to determine the fair market value of such Item of Equipment as of the applicable date. If within 30 days after the initial written notice the two appraisers so appointed by Lessor and Lessee shall be unable to agree upon the fair market value of such Item of Equipment, such appraisers shall within 5 days thereafter appoint a third appraiser. The decision of the three appraisers so appointed shall be given within a period of 10 days after the appointment of such third appraiser. Any decision in which any two appraisers so appointed and acting hereunder concur shall in all cases be binding and conclusive upon Lessor and Lessee. The fees and expenses of the appraisers shall be borne

equally by Lessee and Lessor, unless the Lease shall have been terminated pursuant to Paragraph 19 hereof, in which case Lessee shall pay all such fees and expenses.

34. POWER OF ATTORNEY. Lessee hereby authorizes Lessor, in Lessee's name and as Lessee's attorney-in-fact, to take any of the following actions in connection with this Lease of any transactions or documents contemplated hereby: (a) insert or correct the date of any document; (b) correct the Lessee's legal name; (c) correct or update any applicable description of Equipment; and (d) directly contact Lessee's insurer(s) for information on applicable insurance coverages and/or to obtain certifications of insurance coverage.

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Customer Application
 Customer No: 5336113

600 Highway 169 South, Suite 300
 Minneapolis, MN 55426

SECTION A

Dated as of: March 07, 2017

<u>Name(s) Individual or full legal name of corporation, partnership, or other legal entity</u> TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION	<u>Email Address</u> tmyers@trecoc.com	<u>Contact</u> BARRY MYERS
<u>Address</u> 625 W. MAIN ST.	<u>Phone Number</u> 270-465-4101	<u>Fax Number</u>
<u>City, State ZIP Code</u> CAMPBELLSVILLE, KY 42718		
<u>Billing Name</u> TAYLOR COUNTY RECC	<u>Attention</u> ACCOUNTS PAYABLE	
<u>Billing Address, City, State Zip Code</u> ** 625 W. MAIN ST., CAMPBELLSVILLE, KY 42718 ----- P O BOX 100, CAMPBELLSVILLE KY 42719-0100		

SECTION B

<input type="checkbox"/> Individual	<input type="checkbox"/> Trust*	<input type="checkbox"/> Limited Liability Company*
<input checked="" type="checkbox"/> Cooperative*	<input type="checkbox"/> Partnership*	<input type="checkbox"/> C-Corporation*
<input type="checkbox"/> Estate*	<input type="checkbox"/> Co-Lessee	<input type="checkbox"/> S-Corporation*
<input type="checkbox"/> Limited Liability Partnership*		
<i>*If Corporation, Partnership, or LLC attach either Articles of Incorporation, Partnership Agreement, or LLC Articles of Organization. If Corporation or LLC, also include bylaws, operating agreement or similar organizational document.</i>		
<u>Briefly describe operation</u>	<u>Organization ID</u>	
<u>State of Organization</u> KENTUCKY	<u>Date of Organization</u>	
<u>Year Began Farming (Producer)</u>	<u>Federal Tax ID Number (or Social Security Number, if individual)</u>	

SECTION C - PRINCIPAL INFORMATION

No Guarantors Selected

SECTION D

Statement Date:

<u>Assets</u>	<u>Liabilities and Net Worth</u>
Cash/Savings	Current Portion Long Term Debt
Accounts Receivable	Total Liabilities
Total Assets	Total Net Worth
<u>Income Summary (Most Recent Complete Year)</u>	
Annual Interest Expense	Total Annual Net Income

All information provided in this application and all attachments is correct to the best of my knowledge. I understand this application will be retained whether or not it is approved. I also understand that, as required by Federal laws targeting terrorism funding and money laundering activities, FCL will collect information about me and take actions necessary to verify my identity.

I hereby authorize verification of employment, financial and all other information submitted to FCL in connection with this application, including obtaining a credit report. I understand and agree that this application may be transmitted to creditors by fax or other electronic means. I authorize all past or present creditors to release any and all necessary credit information, and to respond fully to requests for information based on this electronically transmitted application.

I agree that FCL may disclose, on a confidential basis, my financial and other information to third parties, whether part of the Farm Credit System or not, as part of their acquiring or maintaining an interest in my lease(s), whether as a co-lessor, participant, syndicator, guarantor, assignee or in any other similar capacity.

I understand that FCL uses third-party service providers in connection with processing applications and servicing leases. I hereby authorize FCL to disclose my information to such third-party service providers on a confidential basis.

I authorize FCL to make such inquiries and gather such information from time to time during the term of my lease(s) as it deems necessary and reasonable to administer my lease(s), including making credit inquiries, verifying credit or employment, and obtaining credit agency reports regarding me and my business.

I hereby authorize FCL to file, at any time, any UCC financing statement and/or fixture or other filing, showing all or any of the undersigned as Debtor, as FCL may require in connection with any item of equipment described in this or any future application, all without the undersigned Debtor's authentication, to the maximum extent permitted by applicable law.

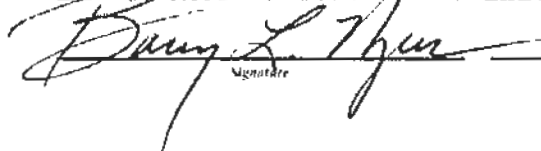
This lease application includes all supplements and all additional information requested by FCL, which are incorporated by reference in full and made a part of this lease application. I understand that my signature on this application will be considered also a signature on each of the supplements supplied with the application, with the same legal effect as my signing each supplement.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law is the Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090.

I understand that this application may be used in whole or in part by FCL in analyzing my future lease application(s). I agree that the information provided herein and the statements made above will continue to apply to all future transactions under this application unless I notify FCL in writing to the contrary. I certify that the lease(s) applied for hereunder are for business, commercial or agricultural purposes and not for personal, family or household purposes.

This document may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this document by facsimile or email shall be as effective as delivery of a manually executed counterpart of this document.

Lessee(s) TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION



Barry L. Myers

Name

Manager

Title



Schedule A

Contract Number: 001-0084151-000
Customer Number: 5336115

600 Highway 169 South, Suite 300
Minneapolis, MN 55426

Dated as of: March 07, 2017

Lessee: TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION ("LESSEE")
625 W. Main St.
Campbellsville, KY 42718

This Schedule A, when executed by both Lessee and Lessor shall be made a part of that Lease Agreement dated as of March 07, 2017 ("Lease"), between Lessee and Lessor.

In addition to authorities granted to Lessor under the Lease, Lessee further authorizes Lessor, as Lessee's attorney-in-fact, to correct any manifest errors in any of the information set forth on Page 1 of this Schedule A or any attachment thereto, including without limitation any amounts, percentages, options, terms, dates, and locations (collectively the "Information") as well as to make any other modifications to the Information resulting from changed circumstances occurring after the date hereof, provided, however, that Lessor shall give Lessee prompt written notice of any such modifications. Unless Lessee objects in writing within 5 business days after receipt of such notice, such modifications shall be deemed to be accepted and agreed by, and binding upon, Lessee.

EQUIPMENT AND LOCATIONS

#	New/Used	Qty	Equipment Description	Serial Number	Equipment Location	Equipment Cost	Tax
1	New	1	2017 KENWORTH T370 Truck w/ Atec DM45B-BR SN:1016FR2862	2NKHHM7X0HM161936	625 W. Main St Campbellsville, KY 42718 TAYLOR County	\$222,300.00	\$0.00
Totals						\$222,300.00	\$0.00
Total Equipment Cost						\$222,300.00	

METERED USAGE

#	At Delivery Date	"Max Annual Usage"	"Usage Measure"	"Excess Usage Rate"
1	0	N/A	Miles	N/A

LEASE PRICING

Security Deposit	Scheduled Lease Term	Minimum Lease Term	Lease Rate Factor	Rental Amount * (Exclusive of applicable taxes)	Rentals	Rental Frequency	Total Number of Rentals
\$0.00	72 Months	N/A	0.015382	\$3,119.47	In Advance	Monthly	72
Daily Billing Option? No			Floating Rate: No				

End of Term Type:	SI	End of Lease Purchase Amount:	\$1.00	FMV Cap %:	N/A
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Notice is hereby given that the rights, but not the obligations, of Farm Credit Leasing Services Corporation to purchase and/or sell the assets contained herein have been assigned to Farm Credit Leasing Exchange Inc. pursuant to an agreement between Farm Credit Leasing Services Corporation and Farm Credit Leasing Exchange Inc.

Lessee agrees that (i) Lessor may provide Lessee's information on a confidential basis to its third-party service provider, which is an institution of the Farm Credit System, (ii) such third-party service provider may provide the information on a confidential basis to other Farm Credit System institutions, or entities controlled or owned by Farm Credit System Institutions, and (iii) the information may be used by such recipients for credit analysis and administration purposes as well as for direct marketing purposes or for any lawful purpose.

This Schedule A may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Schedule A by facsimile or email shall be as effective as delivery of a manually executed counterpart of this Schedule A.

ADDITIONAL TERMS AND CONDITIONS

End-of Term Options:**1. PUT or Dollar-Out**

Paragraph 22 of the Lease is deleted in its entirety for purposes of this Schedule A.

Paragraph 23 of the Lease, as applicable to this Schedule A, is hereby amended to read in its entirety as follows:

23. Purchase of Equipment. At the expiration of the Scheduled Lease Term, Lessee shall purchase all but not less than all of the Equipment from Lessor in an amount equal to the End of Term Purchase Amount specified in Schedule A (including any attached Equipment List), plus all applicable taxes. Upon receipt of the End of Term Purchase Amount, Lessor shall transfer to Lessee all of Lessor's right, title, and interest in the Equipment AS-IS, WHERE IS, without any warranties, expressed or implied, whatsoever.

Maintenance/Use, Return, Holdover Rent:**2. Heavy Duty Transportation Non TRAC**(1) Maintenance and Use

The Equipment will at all times be operated and maintained by competent and qualified personnel only and in accordance with (i) applicable operating instructions, (ii) federal, state, and local laws and regulations (including but not limited to all safety standards and regulations of the Occupational Health and Safety Administration (OSHA) and the United States Department of Transportation ("DOT")), (iii) applicable insurance policies, and (iv) standards of the Maintenance Council of the American Trucking Association. Lessee shall make the Equipment available for inspection by Lessor's representatives during Lessee's normal business hours. In addition to any specific requirements set forth herein, Lessee, at its own expense, shall at all times keep the Equipment washed, cleaned (including steam cleaned if appropriate) and free of rust and corrosion, ordinary wear and tear excepted, and shall be maintained in good general repair, working order, and warrantable condition, in full compliance with all applicable manufacturers recommendations, and shall meet all manufacturer specifications and rated capacities ("Good Condition"). Lessee shall not misuse or abuse the Equipment. For purposes hereof, (i) all components, accessories and features furnished with the Equipment or Lessee installed shall constitute part of the Equipment, (ii) references to "ordinary wear and tear" shall under no circumstances include wear of any component in excess of 50% of its useful life, broken glass, fluid leaks, cracks, holes, gouges, bends, or impact damage, whether internal or external, unusual soiling or spotting or holes in interior fabrics or headliners or elsewhere, including those resulting from auxiliary equipment installation, and (iii) rust and corrosion shall be deemed present if (a) any painted surface contains any rust or corrosion; (b) any machined surface contains rust or corrosion; (c) more than 10 percent of the non-machined surfaces contains more than light surface rust or corrosion; or (d) any surface contains pitting or flaking of the material.

(2) Return of Equipment

In connection with any return of the Equipment (whether as a result of Lessor's exercise of its default rights and remedies or in connection with the option, if any, of Lessee to return the Equipment at the expiration or other termination of the Lease), the following shall apply:

(a) General

Without limiting the more specific requirements set forth below, returned Equipment shall be in Good Condition as defined above.

(b) Mechanical

(i) Internal combustion engines shall operate at rated horsepower, crankcase and manifold pressure, oil pressure, and fuel delivery with at least fifty percent (50%) remaining life before the next recommended overhaul or replacement (with determination of satisfaction of this requirement, if necessary at Lessor's discretion, to be made by subjecting the engine to a dynamometer and measuring manifold pressure, oil analysis, blow-by, turbo boost pressure and exhaust back pressure tests that show wear does not exceed the manufacturer's then current standards and with all tests to be performed by a factory authorized service center, at Lessee's expense, and in accordance with the manufacturer's then recommended standards and procedures);

(ii) Lessee shall repair or overhaul engine, at Lessee's expense, if dynamometer indicates the engine is not operating within the manufacturer's tolerances or is not pulling at its rated load;

(iii) Radiator and cooling system shall be capable of maintaining the Equipment at normal operating temperature as specified by manufacturer for anticipated conditions;

(iv) Drive components, motors, clutch transmission, and drive axles shall not slip, or grab, and shall operate quietly without vibration;

(v) Brake drums and/or discs and friction surfaces shall not be cracked and shall have at least fifty percent (50%) usable remaining wear;

(vi) For Equipment with refrigeration units, such refrigeration units shall be mechanically sound and in good working order, free of damage or leaks and capable of performing at its Air Conditioning and Refrigeration Institute ("ARI") rated BTU output and hold same to manufacturers rated specification without oil leakage or blowby;

(vii) The insulating ability of Equipment including refrigeration units, as measured by the UA factors and air leakage, shall be at least eighty percent (80%) of original specifications;

(viii) Wear items such as bearings, pins, and bushings shall be within manufacturer's recommended tolerances;

(ix) The frame, major components and accessories (including but not limited to, cross members, king pin, side rails, corner caps, floor, side posts, lights, door hinges, door frames, rear floor threshold, and tandem mountings) shall be free of physical damage and structurally sound without breaks, cracks or bends;

(x) Any item of Equipment powered by electric motors shall have a battery installed that is sound and able to hold a charge at rated capacity for single shift operation;

(xi) Undercarriage shall meet the following requirements: (i) track tension shall be properly adjusted to manufacturer's specifications, (ii) track shoes and fasteners will not contain any cracks or breaks, and (iii) all components of the undercarriage will be of the same original size, type, grade and manufacturer as installed at delivery to Lessee at lease commencement, and the undercarriage will have at least 50% of original life remaining on all parts, and

(xii) The Equipment shall be free of damage requiring straightening and refinishing or replacement, and also free of mismatched paint from any refinishing while the Equipment was on lease.

(c) Electrical

(i) For Equipment with electrical systems, the battery will accept and hold a charge, and all wire harnesses shall be properly routed, secured, clean, and free of cracks or breaks; and

(ii) All motors, gauges, and indicators shall be intact and in operating condition.

(d) Tires, Wheels, Tracks

(i) Tires shall be same size, type, tread, grade, and manufacturer (or other manufacturer of similar quality) as originally supplied with matched tread and have at least fifty percent (50%) of their usable life (tread) remaining. Front tires will be original casings. If any item of Equipment is returned with tires with less than 50% of usable life remaining, an invoice will be sent for the difference. For example, tires with 40% usable life remaining would be billed 10% of the cost of new tires (50% - 40% = 10% multiplied by the retail cost of new tires);

(ii) There shall be no side wall damage that affects the integrity of any tire; and

(iii) There shall be no wheel damage that affects the integrity of any wheel.

(e) Exterior and Structural Condition

(i) The Equipment shall have good clean overall appearance, and all decals or other Lessee installed identification and advertising markings which are not necessary for the operation, maintenance or repair of the Equipment shall be removed (not painted over) in a workmanlike manner without damage to the Equipment's finish; and

(ii) The following appearance conditions are not acceptable as normal wear and tear: major repairs to bumpers, grill and accent trim, dents in the body area, paint damage from scrapes and dents, glass damage, including breaks, cracks, stone bruises, sand damage, and windshield wiper damage, holes or tears in the interior fabrics as well as any unusual soiling or spotting.

(f) Inspection, Inventory, Demonstration, and Storage

(i) Lessee shall provide a detailed inventory of the Equipment and all components thereof being returned, including a listing of model and serial number of all components and attachments comprising the Equipment;

(ii) Lessee will provide personnel, power and other requirements necessary to demonstrate the Equipment under power;

(iii) Lessee shall provide free, secure storage of the Equipment up to ninety (90) days following the expiration or other termination of the Lease;

(iv) Each item of Equipment shall have a current DOT inspection certificate valid for a minimum of six (6) months, and a copy of the current Federal Highway Use Tax filings and payment will be supplied to the Lessor upon return of the equipment; and

(v) Lessee agrees to pay Lessor a \$300 inspection fee for returned Equipment. Lessee agrees to pay Lessor additional \$300 inspection fees for each subsequent re-inspection if the Equipment failed to meet the requirements as set forth herein.

(g) Excess Usage Charge

Lessee shall pay Lessor on demand for usage of any item of Equipment in excess of the Max Annual Usage, if any, stated in this Schedule A for such item of Equipment in an amount equal to the applicable number of excess Usage Measures multiplied by the applicable Excess Usage Rate, all as stated in this Schedule A for such item of Equipment.

(h) Meter

When applicable, if any item of Equipment equipped with a meter to measure usage is returned with such meter broken, missing,

tampered with or that has been replaced, the Lessee will be charged \$1500 plus the cost of repair and refurbishment as deemed necessary by Lessor. In the event the meter fails, the replacement of that meter must be documented by the manufacturer or licensed dealer and copies provided to Lessor during the return process.

(i) Payment of Lessor's Costs

In addition to any specific charges stated above, if with respect to any Item of Equipment, Lessor, in its sole but reasonable discretion, determines that the existence of any of the conditions described above and determines that the aggregate cost to remedy such conditions equals or exceeds \$250 (excluding any tire, track, wheel and usage costs due herein, which shall be due in addition to any amounts due under this section), Lessee shall be deemed to have failed to satisfy its obligations to return such Equipment in Good Condition and Lessee shall be required to pay Lessor an amount equal to 120% of any costs incurred by Lessor in excess of Two Hundred Fifty Dollars (\$250.00) to repair, recondition, and/or restore returned Equipment to the foregoing requirements, which shall be paid to Lessor by Lessee immediately upon written demand by Lessor. Lessee's failure to remit to Lessor any payment required by this Addendum within 30 days of the invoice date shall constitute a default under the lease and shall entitle Lessor to pursue any and all rights and remedies available thereunder.

(j) Records

Lessee shall provide Lessor with copies of all maintenance and repair records, and current life-to-date mileage and/or hours for each Item of Equipment

(k) Transportation

The Equipment will be transported in accordance with the manufacturer's recommendation and all applicable government laws, rules and restrictions. If shipment is delayed as a result of road or highway load limit restrictions applied by state or local governments Lessee shall provide free, secure storage until such restrictions are lifted and the Equipment can be transported.

(3) Holdover rent

In the event that, at the expiration of the initial Lease Term or, if applicable, any Renewal Term, Lessee has not purchased the Equipment or, if Lessee has the option to return the Equipment, has not so returned the Equipment, Lessor shall be entitled to monthly hold-over rentals each in an amount equal to 120% of the Rental Payment for the last Rental Period prior to such expiration (pro-rated to a monthly amount in the case of a quarterly, semi-annual, annual, or other Rental Period). The preceding sentence shall not in any way limit Lessor's right to exercise any default rights and remedies as applicable.

Other Terms and Conditions:

3. Vehicle/Highway Use Tax and Other Taxes

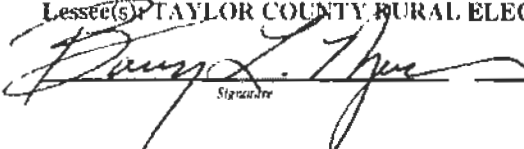
Without limitation to any of Lessee's obligations under the Lease, Lessee shall prepare and file all appropriate documentation and pay all vehicle/highway use taxes, as well as any applicable excise and luxury taxes, imposed by any federal, state or local jurisdiction relating to the Equipment. At the expiration or other termination of the Lease, Lessee shall provide Lessor evidence that all such taxes have been paid. Lessee shall indemnify and reimburse Lessor all costs and expenses incurred by Lessor (including reasonable attorney's fees) arising out of Lessee's failure to comply with the agreements described in this Paragraph.

4. Vehicle Title and Registration

The Equipment will be titled and licensed in Lessor's name or as otherwise specified by Lessor. Lessee shall obtain such title, license and registration of the Equipment as is required by federal, state, or local law or regulation in the domicile of Lessee, unless otherwise specified by Lessor. Lessee shall pay when due, all title and registration fees. The Lessee shall not permit any of the Equipment to be used for transportation of passengers for hire. The Equipment shall be used primarily in the Lessee's trade or business. Lessee agrees to defend, indemnify and hold Lessor harmless from any and all fines, forfeitures and penalties for violation of any statute, law regulation or rule of any public authority. The Equipment shall be domiciled within the United States. Lessee will not use the Equipment outside of the United States or Canada without prior approval of Lessor.

Lessor: FARM CREDIT LEASING SERVICES CORPORATION

By:

<i>Signature</i>	<i>Name</i>	<i>Title</i>
Lessee(s) TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION		
	Barry L. Myers	Manager
<i>Signature</i>	<i>Name</i>	<i>Title</i>

Lessee Mailing Address	City, State, Zip	Contact	Phone
625 W. Main St.	Campbellsville KY 42718	Barry Myers	270-465-4101



Delivery and Acceptance

Contract No: 001-0084151-000
Customer No: 5336113

600 Highway 169 South, Suite 300
Minneapolis, MN 55426

This Certificate is delivered to and for the benefit of Lessor and pertains to the following personal property (the "Property") which is the subject of Contract Number 001-0084151-000, to Master Lease Agreement dated as of March 07, 2017, between Farm Credit Leasing Services Corporation, as Lessor, and TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION as Lessee, (the "Lease"):

[See attached for equipment detail]

To the extent that the above description has been altered by us or differs from the Property description set forth in the Lease (including, but not limited to, changes to model or serial numbers), we certify that such alterations or differences are accurate and we acknowledge that, based upon this certification: 1) the Lease is hereby amended to reflect the above Property description; and 2) Lessor is hereby authorized to execute on our behalf and to file amendment(s) to any Financing Statements filed under the Uniform Commercial Code in connection with the Lease, provided that all such amendments are consistent with the above Property description.

WE HEREBY CERTIFY AND ACKNOWLEDGE that, after full inspection of the Property specified herein or in any schedule attached hereto (the 'Property') to our complete satisfaction, we have decided to lease the Property from Lessor and to accept full responsibility for the Property "AS IS" and "WHERE IS," including (without limitation) the acceptance of full responsibility for any necessary delivery and/or installation thereof.

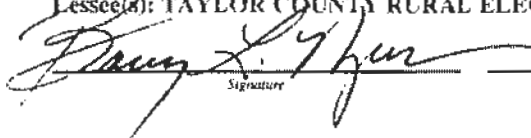
WE HEREBY FURTHER ACKNOWLEDGE AND AGREE: 1) that the Lessor is relying on this Certificate as a condition to making payment for the Property and that, upon Lessor's remitting or becoming obligated to remit such payment, Lessor will have fully and satisfactorily performed and satisfied all its obligations under the Lease; 2) that any and all conditions to the effectiveness of the Lease or to our obligations under the Lease have been satisfied, and that we have no defenses, set-offs or counterclaims to any such obligations, and that the Lease is in full force and effect; 3) to indemnify and hold Lessor harmless from and against any and all losses and liabilities in any way arising out of any loss of or damage to the Property.

WE HEREBY FURTHER ACKNOWLEDGE THAT: 1) THE LEASE IS A NONCANCELABLE OBLIGATION; 2) OUR OBLIGATIONS THEREUNDER ARE NOT CONTINGENT UPON DELIVERY, INSTALLATION OR PROPER PERFORMANCE OF THE PROPERTY AND WILL NOT BE ABATED FOR ANY REASON WHATSOEVER; 3) UPON OUR EXECUTION OF THIS CERTIFICATE, LESSOR SHALL MAKE PAYMENT AND/OR BECOME OBLIGATED TO MAKE PAYMENT IN REGARD TO THE PURCHASE OF THE PROPERTY; 4) WE HEREBY AFFIRMATIVELY WAIVE ANY RIGHT WE HAVE OR MAY HAVE TO REQUIRE DELIVERY, INSTALLATION, OR PROPER PERFORMANCE OF THE PROPERTY AS A CONDITION PRECEDENT TO OUR OBLIGATIONS UNDER THE LEASE OR TO AVOID OR TERMINATE ANY SUCH OBLIGATIONS ON THE BASIS OF ANY SUCH RIGHT.

Delivery of an executed counterpart of a signature page of this Certificate by facsimile or email shall be as effective as delivery of a manually executed counterpart of this Certificate.

IN WITNESS WHEREOF, we have executed this Certificate as of the 7th day of March, 2017.

Lessee(s): TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

	Barry L. Myers	Manager
<small>Signature</small>	<small>Name</small>	<small>Title</small>

EQUIPMENT DETAIL*

N/U	Qty	Year	Manufacturer	Model	Description	Serial No
New	1	2017	KENWORTH	T370	Truck w/ Altec DM45B-BR SN:1016FR2862	2NKHJIM7X0HM161936

* TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES.

EXHIBIT "C"

New/ Used	Quantity / Year / Manufacturer / Model / Description / Serial # Address (No P.O.Box) / City / State / Zip Code / County	Equipment Cost
New	1 / 2017 / KENWORTH / T370 / Truck w/ Altec DM45B-BR SN:1016FR2862 / 2NKHHM7X0HM161936 625 W. Main St. / Campbellsville / KENTUCKY / 42718 / TAYLOR	\$222,300.00
Total Equipment Cost		\$222,300.00

FARM CREDIT LEASING SERVICES CORPORATION

600 Highway 169, Suite 900
Minneapolis, MN 55426
800-444-2929

Lessee's name : **TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

Contract Number : 001-0084151-000

Date: March 07, 2017

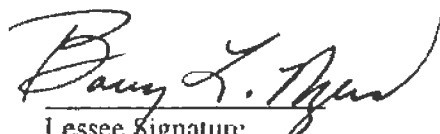
Our records indicate that we are required to collect sales tax on this transaction.

Please let Farm Credit Leasing Services Corporation know immediately if you feel this status is incorrect.

Unless you indicate below that the equipment is located outside city limits, We will collect city sales tax as well.

Outside the city limits.

All applicable sales taxes will be charged based upon state and local jurisdiction sales tax laws.


Lessee Signature



FEDERATED RURAL ELECTRIC
INSURANCE EXCHANGE

This endorsement changes the policy.
Please read it carefully.

Miscellaneous Endorsement

Effective 3/8/2017 12:01 a.m. standard time, this endorsement forms a part of Policy No. 16 ARB 030-16 issued by Federated Rural Electric Insurance Exchange to Taylor County RECC

In consideration of the premium charged, Federated and the Insured agree, subject to all provisions of the policy except as modified herein, as follows:

Farm Credit Leasing Services Corporation is added as a loss payee as their interest may appear in leased, rented or borrowed property.

Farm Credit Leasing Services Corporation is added as an additional insured only with respect to liability caused, in whole or in part, by operations performed by, or on behalf of, the policyholder. Liability caused by the sole negligence, intentional act or omission of the additional insured is not covered.

Federated will provide 30 days notice to the additional insured and loss payee of policy cancellation or material coverage changes to the mailing address, email address or facsimile phone number shown on the latest certificate of insurance issued to the additional insured and loss payee.

Truck 125



Titling and Registration

Lessee Name	Taylor County Rural Electric Cooperative Corporation
Lease Number	234584
Lease Type	LP - Lease Purchase

Please review the equipment listed below and confirm the titling and registration requirements.

*****THIS IS FOR INITIAL REGISTRATION ONLY. LESSEE IS REQUIRED TO PROCESS ALL RENEWALS.*****

Title & Reg. Contact Name:

Title & Reg. Contact Phone #:

Please provide the physical address of your Motor Vehicle Registration Office (DMV)

DMV Location Street Address:

203 North Court Street, Suite 5

DMV Location City, State:

Campbellsville, KY 42718

DMV Location Phone Number:

270-465-6677

****Altec Capital will send the title and registration package to the DMV listed above and will provide Lessee with the UPS tracking number by email.****

Confirm Registration Weight

No.	Description	Serial #	Vin	Registration Weight (Fill In)
1	2020 Kenworth T370 Altec Bucket AA55E MH	1119FH8611	2NK11HM7X5LM385602	38,000

Confirm Registration Address (if incorrect fill in new address below)

No.	Address	City	State	County	Zip Code
1	625 W Main St	Campbellsville	KY	Taylor	42718-2510

Correct Address: 625 W. Main Street P.O. Box 100, Campbellsville, KY 42719-0100

Type of License Plate Required

CONFIRM (X)	Plate Description
<input checked="" type="checkbox"/>	Standard Commercial Vehicle plate(s) by weight
<input type="checkbox"/>	IRP Apportioned Plate(s)
<input type="checkbox"/>	OTHER (Please provide description if other state specific type required)



ALTEC CAPITAL SERVICES, LLC
 33 Inverness Center Parkway
 Suite 200
 Birmingham, AL35242

Equipment LP Lease

Equipment Lease Number 234584

Name and Address of Lessee:

Taylor County Rural Electric Cooperative Corporation
 625 W Main St
 Campbellsville, KY 42718-2510

Equipment Description: See Exhibit I
 Equipment Location: 625 W Main St Campbellsville, KY 42718-2510 (County: Taylor)

SUMMARY OF PAYMENT TERMS	
Initial Term in Months: 84	Total Cost: \$186,025.76
Payment Frequency: Monthly	Total Basic Rent: \$220,869.60
Basic Rental Payment: \$2,629.40 plus sales and use tax if applicable	Doc Fee: N/A
Number of Installments: 84	Interim Rent Cutoff Date: May 31, 2020
Advance Payment(s) First: 1 Last: 0 due on signing this Lease	Security Deposit: N/A
	Down Payment collected by ACS: N/A
Purchase Option: N/A	Rent Commencement Date: June 01, 2020
	Purchase Agreement: \$1.00

Lease Provisions

1. LEASE Altec Capital Services, LLC (the "Lessor") hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the property or other items listed or described on Exhibit I hereto, including but not limited to all inventory, fixtures and other properties comprising the same, such property, together with all replacements, substitutions, repairs, improvements and additions incorporated therein or affixed thereto being referred to herein individually, as an "Item" or "Item of Equipment" and collectively, as the "Equipment" listed above on the terms and conditions set forth herein.

2. TERM. The term of this lease commences on the Acceptance Date and will continue until Lessee performs all of Lessee's Obligations hereunder, unless earlier terminated or cancelled in accordance with the terms of this Lease. Acceptance Date shall be the earliest of the following: (a) the date Lessee signs the Acceptance Certificate (b) the date that Lessor determines that Lessee commences use of any portion of the Equipment or (c) seven (7) days after the date on which, in Lessor's determination, substantially all of the Equipment has been delivered to Lessee if Lessee fails to notify Lessor that such Equipment is not acceptable. Lessee acknowledges and agrees that certain obligations of Lessee, including but not limited to Lessee's obligations with respect to section 12 and 13 will begin upon delivery of the Equipment. This Lease cannot be canceled or terminated except as expressly provided for herein. LESSEE'S OBLIGATIONS UNDER THIS LEASE ARE ABSOLUTE, UNCONDITIONAL AND NON-CANCELABLE IN ALL RESPECTS AND SHALL NOT BE SUBJECT TO TERMINATION, MODIFICATION OR REPUDIATION, AND SHALL BE PAID AND PERFORMED BY LESSEE WITHOUT NOTICE OR DEMAND AND WITHOUT ANY ABATEMENT, REDUCTION, DIMINUTION, SETOFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY MALFUNCTION OF THE EQUIPMENT, DAMAGE TO THE EQUIPMENT OR ANY INABILITY TO USE THE EQUIPMENT FROM ANY CAUSE WHATSOEVER, ANY PAST, PRESENT OR FUTURE CLAIMS THAT LESSEE MAY HAVE AGAINST LESSOR OR ANY MANUFACTURER, SUPPLIER, OR VENDOR OF ANY EQUIPMENT, OR ANY OTHER PERSON OR ENTITY WHATSOEVER. The Interim Term, ("Interim Term"), for each item of Equipment shall begin on the Acceptance Date and shall continue through the Interim Rent Cutoff Date. The Initial Term, ("Initial Term"), shall begin on the Rent Commencement Date and shall continue for the period specified as the Number of Installments. The Initial Term of this Lease can be terminated as provided herein or extended automatically as provided below in this paragraph.

AUTOMATIC EXTENSION. Lessee or Lessor may terminate this Lease at the expiration of the Initial Term by giving the other at least 90 days prior written notice of termination. If neither Lessee nor Lessor gives such notice, then the term of this Lease shall be extended automatically on the same rental and other terms set forth herein (except that in any event rent during any extended term shall be payable in the amounts and at the times provided in paragraph 3) for successive periods of one month until terminated by either Lessee or Lessor giving the other at least 90 days prior written notice of termination.

3. RENT. Lessee shall pay as Basic Rent for the Initial Term of this lease the amount shown on the first page of this lease as Total Basic Rent. The Total Basic Rent shall be payable in installments each in the amount of the Basic Rental Payment plus sales and use tax thereon. Lessee shall pay advance installments and any Security Deposit, on the date it is executed by Lessee. Lessee's first Basic Rental Payment shall be due on the first day of the first month following the Acceptance Date (the "Initial Term Commencement Date") and basic rental payments shall be due on the first day of each rental payment period beginning with the Rent Commencement Date and continuing for the Number of Installments. If the actual cost of the Equipment is more or less than the Total Cost, the amount of each installment of rent will be adjusted up or down to provide the same yield to Lessor as would have been obtained if the actual cost had been the same as the Total Cost. Adjustments of 10% or less may be made by written notice from Lessor to Lessee. Adjustments of more than 10% shall be made by execution of an amendment to this lease reflecting the change in Total Cost and rent.

In addition to Total Basic Rent Lessee agrees to pay Interim Rent with respect to each separate Item of Equipment during the Interim Term. Interim Rent is calculated as one thirtieth (1/30th) of the Basic Rental Payment for the number of days from and including the Acceptance Date to and including the Interim Rent Cutoff Date. Interim Rent accruing each calendar month shall be payable by the 10th day of the following month and in any event on the Rent Commencement Date. Lessee agrees that if the Equipment covered by this lease has not been accepted by providing Lessor an Acceptance Certificate within fourteen (14) days after delivery or if the Equipment is not delivered within thirty (30) days after the execution of this Lease, the Lessor may terminate this Lease and Lessee shall purchase from Lessor the items of Equipment then subject to the lease within five days after Lessor's request to do so for a price equal to Lessor's cost of such items plus all accrued but unpaid interim rent thereon. Lessee shall also pay any applicable sales and use tax on such sale.

During any extended term of this lease, basic rent shall be payable monthly in advance on the first day of each month during such extended term in the amount equal to the Basic Rental Payment if rent is payable monthly during the Initial Term or in an amount equal to the monthly equivalent of the Basic Rental Payment if rent is payable other than monthly during the Initial Term. In addition, Lessee shall pay any applicable sales and use tax on rent payable during any extended term.

4. SECURITY DEPOSIT. Lessor may commingle any such Security Deposit with other funds and shall have no obligations with respect thereto except as expressly agreed herein. Lessor may apply the Security Deposit to any payment due Lessor or to cure any default, in which event Lessee will promptly restore the Security Deposit to its full amount.

5. WARRANTIES. Lessee has selected each Item of Equipment based upon Lessee's own judgment and disclaims any reliance upon any statements or representations made by Lessor. Lessee further agrees that there are no warranties, terms, conditions or agreements made by or on Lessor's behalf and neither the supplier, manufacturer nor any other party is Lessor's agent and Lessor is not the agent of any other party with respect to the Equipment, this Lease and the matters contemplated hereby. Lessor acknowledges that Lessor is not a "merchant" as that term is defined in the Uniform Commercial Code as presently adopted in the State of Alabama (the "UCC") with respect to the Equipment. LESSOR MAKES NO WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessee agrees to make the rental and other payments required hereunder without regard to the condition or the inability of the Equipment and to look only to persons other than

Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason be defective. So long as no Event of Default has occurred and is continuing, Lessor agrees, to the extent they are assignable, to assign to Lessee, without any recourse to Lessor, any warranty received by Lessor.

6. **TITLE NOTWITHSTANDING ANY CONTRARY LANGUAGE IN THIS DOCUMENT**, this agreement evidences a lease-purchase arrangement that constitutes a secured financing and not a true lease for legal, tax and accounting purposes. Lessee hereby grants to Lessor a first priority security interest in the Equipment. Title shall at all times be in Lessee's name subject to Lessor's security interest and any certificate of title shall list Lessee as owner and Lessor as lienholder. Title to the Equipment shall at all times remain in the possession of Lessor. Anything herein to the contrary notwithstanding, certificates of title for the Equipment may be held by a trust or other entity designated by Lessor and such circumstance shall not affect the parties' obligations or rights hereunder, except that all of Lessee's obligations to indemnify and provide insurance for the benefit of Lessor shall apply equally to such trust or other entity and the party acting as trustee or servicer. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

7. **LAWS AND TAXES** Lessee shall comply with all laws and regulations relating to the Equipment and the Equipment's use and shall promptly pay when due all sales, use, property, excise and other taxes, fines and toll violations, and all license and registration fees now or hereafter imposed by any third party, governmental body or agency upon the Equipment or its use or the rentals hereunder. Upon request by Lessor, Lessee shall prepare and file all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction.

8. **INDEMNITY** Lessee hereby agrees to defend, indemnify and hold Lessor, Lessor's employees, agents, officers, managers or members harmless from and against (a) all claims, demands, suits and legal proceedings (whether civil, criminal, administrative, investigative or otherwise) including but not limited to those arising out of (i) the actual or alleged manufacture, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the Equipment, (ii) patent, trademark or copyright infringement, and (iii) any alleged or actual default by Lessee (collectively "Actions"), and (b) any and all penalties, losses, liabilities (including but not limited to negligence, tort and strict liability), damages, costs, court costs and any and all other expenses (including but not limited to attorneys' fees, judgments and amounts paid in settlement) incurred incident to, arising out of or in any way connected with any Actions, this Lease, any Equipment, or any other instrument, document or agreement executed in connection with or contemplated by any of the foregoing (collectively the "Losses"). Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any Losses or Actions resulting solely from Lessor's gross negligence or willful misconduct. Lessee shall, at Lessor's discretion, appear and defend any such action and pay the cost of the defense of any such action brought against Lessor, either alone or in conjunction with others, upon any such liability or claim. Lessee shall satisfy, pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action. The foregoing indemnities shall survive expiration, termination or cancellation of this Lease whether by expiration of time, by operation of law or otherwise.

9. **INSPECTION** Lessor may inspect the Equipment at any time and from time to time during regular business hours.

10. **ASSIGNMENT** WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE WILL NOT SELL, ASSIGN, TRANSFER, SUBLET, PLEDGE, OR OTHERWISE ENCUMBER OR PERMIT A LIEN ARISING THROUGH LESSEE TO EXIST ON OR AGAINST ANY INTEREST IN THIS LEASE OR THE EQUIPMENT, or remove the Equipment from its location referred to on the first page of this lease. Lessor may assign its interest in this lease and sell or grant a security interest in all or any part of the Equipment without notice to or the consent of Lessee. Lessee agrees not to assert against any assignee of Lessor any claim or defense Lessee may have against Lessor. Lessee shall not use the equipment outside the continental United States.

11. **USE, REPAIRS** Lessee will use the Equipment with due care and for the purpose for which it is intended. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefor, all at Lessee's sole cost and expense, ordinary wear and tear excepted. Lessee shall, at Lessee's expense, make all modifications and improvements to the Equipment required by law, and shall not make other modifications or improvements to the Equipment without the prior written consent of Lessor. All parts, modifications and improvements to the Equipment shall, when installed or made, immediately become the property of Lessor and part of the Equipment for all purposes.

12. **LOSS OR DAMAGE** In the event any item of Equipment shall become lost, stolen, destroyed, damaged from any cause whatsoever or rendered permanently unfit for use for any reason, or in the event of condemnation, requisition or seizure of any item of Equipment (collectively an "Event of Loss") Lessee shall immediately, but in no event later than two (2) days after the Event of Loss, notify Lessor in writing of the circumstances and extent of such Event of Loss. Upon any such Event of Loss, at Lessor's sole discretion, Lessee will either (i) promptly pay Lessor the sum of (a) the amount of all rent and other amounts payable by Lessee hereunder with respect to such item due but unpaid at the date of such payment plus (b) the amount of all unpaid rent with respect to such item for the balance of the term of this lease not yet due at the time of such payment discounted from the respective dates installment payments would be due at the rate of 1.75% per annum plus (c) the dollar amount specified in either the "Purchase Agreement/Option" box on the first page of this lease (the "Lessor's Loss") or (ii) replace said Equipment with satisfactory new Equipment, with such determination being made by Lessor in Lessor's sole discretion. Upon payment of Lessor's Loss to Lessor, such item shall become the property of Lessee. Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments shall be reduced accordingly based on the remaining Equipment. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this paragraph and Lessor shall be entitled to any surplus.

13. **INSURANCE** Lessee shall procure and maintain on or with respect to the Equipment at Lessee's sole cost and expense (a) liability insurance insuring against liability for bodily injury and property damage in an amount satisfactory to Lessor of combined single limit coverage, but in no event less than \$1,000,000.00; and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement cost of the Equipment; provided that such amount is satisfactory to Lessor. Lessee shall furnish Lessor with a certificate of insurance, policy endorsements and other coverage that is satisfactory to Lessor evidencing the issuance of a policy or policies to Lessee in amounts as Lessor may determine herein naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the physical damage coverage. Each such policy shall be in such form and with such insurances as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy and Lessee shall obtain renewals thereof at least fifteen (15) full business day prior to the expiration thereof. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof.

In the event that Lessee does not provide Lessor with satisfactory proof of insurance, Lessee will pay Lessor a per diem insurance charge of \$0.15 per thousand of the Equipment's then Fair Market Value as a risk fee to Lessor until such time as Lessee provides satisfactory proof of insurance in amounts and coverage as required herein. The risk fee may include a profit to Lessor and is not intended to be insurance covering the Lessee.

With respect to Lessee's obligation to obtain and maintain physical damage insurance only, Lessee shall have the alternative right to elect to have Lessor purchase collateral damage insurance in Lessor's name as subject to approval. In the event of such election by Lessee, Lessee agrees to pay all costs relating to such insurance, together with an insurance cost transfer charge (which insurance costs may be more than the cost of insurance Lessee could purchase on its own) as compensation for being relieved of its obligation to obtain and maintain physical damage insurance coverage on the Equipment while such Equipment is in Lessee's care, custody or control. The insurance costs payable by Lessee will be separately disclosed to Lessee and added to its monthly lease payment set forth herein; provided that Lessee may prepay such amounts at any time and any such prepayment will be applied to Lessee's account. Lessee also agrees that it will not be a named insured or additional insured under any physical damage insurance policy purchased by the Lessor as a result of Lessee's election and that Lessee shall have no rights or benefits with respect to any collateral damage insurance policy so purchased by Lessor.

Lessee Elects Collateral Damage Coverage

Lessee Declines Collateral Damage Coverage

In the event that Lessee elects to have Lessor purchase collateral damage insurance, Lessee agrees, that in the event of loss to the Equipment, Lessee shall notify, in writing, within 24 hours of the loss, both Lessor and Lessor's insurance carrier of such loss at the address provided by Lessor for such notice. If Lessee elects to have Lessor purchase collateral damage insurance, (a) Lessee may cancel such insurance at any time by providing notice and evidence to Lessor and its insurance carrier that Lessee has obtained its own insurance satisfying the requirements set forth hereinabove in this lease or (b) we may cancel such insurance at any time by providing you sixty (60) days prior written notice and, upon any such cancellation, Lessee shall be entitled to a refund of any unearned insurance premium. However, Lessor's cancellation does not otherwise release Lessee from the coverage obligations herein. The collateral damage coverage policy does not include liability coverage for claims made against Lessee and will not satisfy any mandatory state liability insurance or financial responsibility laws that may apply.

IMPORTANT: LESSEE MUST SELECT AND INITIAL ONE OF THE INSURANCE OPTIONS ABOVE

14. **RETURN OF THE EQUIPMENT** Upon the expiration of this lease, and provided that Lessee has not elected to exercise its option to purchase the Equipment, Lessee shall, at its expense immediately deliver the Equipment to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation, inspection, and other expenses relating to such delivery.

15. **ADDITIONAL ACTION** Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to carry out more effectively the intent and purpose of this Lease, including the execution and delivery of appropriate financing statements to protect fully Lessor's interest hereunder in accordance with the UCC or other applicable law. Lessor and any assignee of Lessor is authorized to file one or more UCC financing statements without the signature of Lessee or signed by Lessor or any assignee of Lessor as attorney-in-fact for Lessee. Lessee hereby grants to Lessor a power of attorney in Lessee's name, to apply for a certificate of title for any item of Equipment that is required to be titled under the laws of any jurisdiction where the Equipment is or may be used and/or to transfer title thereto upon the exercise by Lessor of its remedies upon an Event of Default by Lessee under this Lease. Lessee will pay all costs of filing any financing, continuation or termination statements with respect to this Lease including, without limitation, any documentary stamp taxes relating thereto. Lessee will do whatever may be necessary to have a statement of the interest of Lessor and any assignee of Lessor in the Equipment noted on any certificate of title relating to the Equipment and will deliver said certificate to Lessor. If Lessee fails to perform or comply with any of its agreements, Lessor may perform or comply with such agreements in Lessor's own name or in Lessee's name as attorney-in-fact and the amount of any payments and expenses of Lessor incurred in connection with such performance or compliance, together with interest thereon at the rate provided below, shall be deemed rent payable by Lessee upon demand.

16. **LATE CHARGES** If any installment of interim rent or basic rent or any other amounts owed by Lessee to Lessor under this Lease are not paid when due, Lessor may impose a late charge of up to 10% of the amount of the payment but in any event not more than permitted by applicable law. Payments thereafter received shall be applied first to delinquent installments and then to current installments.

17. **DEFAULT** Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay when due any Interim Payment, Basic Rental Payment or any other amount due hereunder or otherwise with respect to the Obligations; (b) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder or with Altec Industries, Inc. or any other of Lessor's Affiliates (after giving effect to any applicable notice and/or cure provisions therein); (c) Lessee or any guarantor of Lessee's Obligations or any partner or member of Lessee if Lessee is a partnership or limited liability company, respectively, shall (i) cease doing business as a going concern or make an assignment for the benefit of creditors; or (ii) voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or of all or a substantial part of Lessee's assets; (d) any individual Lessee, guarantor of this Lease, or partner of Lessee if Lessee is a partnership shall die; (e) any financial or credit information submitted by or on behalf of Lessee shall prove to have been false or materially misleading when made; (f) an event of default shall occur under any other Obligation Lessee owes to Lessor; (g) any indebtedness Lessee may now or hereafter owe to any Affiliate of Lessor shall be accelerated following a default there under or, if any such indebtedness is payable on demand, payment thereof shall be demanded; (h) if Lessee is a corporation, more than 50% of the shares of voting stock or equity interests of Lessee shall become owned by shareholders who were not owners of voting stock or equity interests of Lessee on the date this Lease begins or, if Lessee is a limited liability company or partnership, more than 50% of the interests in the Lessee shall become owned by a party that was not part of Lessee on the date this Lease begins; (i) Lessee, any direct or indirect owner of Lessee, or any guarantor shall consolidate with or merge into, or sell or lease all or substantially all of Lessee's, owners' or any guarantor's assets to, any individual, corporation, or other entity; (j) any guarantor attempts to repudiate, revoke, rescind or cancel a guaranty with Lessor; and (k) Lessee or any guarantor shall suffer an adverse material change in Lessee's or any guarantor's financial condition from the date hereof, and as a result thereof Lessor deems itself or any of the Equipment to be insecure.

18. **REMEDIES** Upon the occurrence of an Event of Default and at any time thereafter, Lessor may exercise any one or more of the remedies listed below as Lessor in Lessor's sole discretion may lawfully elect, provided, however, that upon the occurrence of an Event of Default specified in paragraph 17(d), an amount equal to Lessor's Loss as of the date of such occurrence shall automatically become due and be immediately due and payable without notice or demand of any kind:

a) Lessor may, by written notice to Lessee, terminate this lease and declare an amount equal to Lessor's Loss as of the date of such notice to be immediately due and payable, and the same shall thereupon be and become immediately due and payable without further notice or demand, and all rights of Lessee to use the Equipment shall terminate but Lessee shall be and remain liable as provided in this paragraph 18. Lessee shall at Lessee's sole cost and expense promptly deliver the Equipment to Lessor at a location or locations within the continental United States designated by Lessor. Lessor may also enter upon the premises where the Equipment is located and either disable or take immediate possession of and remove the same with or without instituting legal proceedings.

b) Lessor may proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this lease or to recover, for breach of this lease, Lessor's Loss as of the date Lessor's Loss is declared due and payable hereunder.

c) In the event Lessor repossesses the Equipment, Lessor shall either retain the Equipment in full satisfaction of Lessee's obligation hereunder or sell or lease each item of Equipment in such manner and upon such terms as Lessor may in its sole discretion determine. The proceeds of such sale or disposition may be applied to or on account of such of the Obligations (including any additional amounts under clause (d) and (e) below). Lessor shall be entitled to any surplus and Lessee shall remain liable for any deficiency. For purposes of this section (c), the proceeds of any lease of all or any part of the Equipment by Lessor shall be the amount reasonably assigned by Lessor as the cost of such Equipment in determining the rent under such lease.

d) Lessor may recover interest on the unpaid balance of Lessor's Loss from the date it becomes payable until fully paid at the rate of the lesser of 12% per annum or the highest rate permitted by law.

e) Lessor may exercise any other right or remedy available to it by law, in equity or by agreement, and may in any event recover legal fees and other expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder, including expenses of repossession, repair, storage, transportation, and disposition of the Equipment.

If this lease is deemed at any time to be a lease intended as security, Lessee grants Lessor a security interest in the Equipment to secure its obligations under this lease and all other indebtedness at any time owing by Lessee to Lessor and agrees that upon the occurrence of an Event of Default, in addition to, and without limitation of, the foregoing, Lessor shall have all of the rights and remedies of a secured party under the UCC. No remedy given in this section is intended to be exclusive, and each shall be cumulative but only to the extent necessary to permit Lessor to recover amounts for which Lessee is liable hereunder. No express or implied waiver by Lessor of any breach of Lessee's obligations hereunder shall constitute a waiver of any other breach of Lessee's obligations hereunder.

19. **PURCHASE** Upon expiration of this lease, Lessee shall (a) cure any default under this lease, (b) if there is a dollar amount specified in the "Purchase Option" box on the first page of this lease, have the option, upon not less than sixty (60) days prior written irrevocable notice, to purchase all of the Equipment for the amount specified, plus applicable sales, tax, and (c) if there is a dollar amount specified in the "Purchase Agreement" box on the first page of this lease, be required, and Lessee hereby irrevocably agrees, to purchase all of the Equipment for the amount specified, plus applicable sales tax. Any purchase of the Equipment pursuant to the preceding sentence shall be "AS IS-WHERE IS", with all faults and without any warranty whatsoever (and Lessor shall convey the Equipment to Lessee by bill of sale, containing a disclaimer of warranties, and shall return any titles to the Lessee).

20. **NOTICES** Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally or deposited in the United States mail, postage prepaid, or by a nationally recognized express courier service (such as FedEx) addressed to recipient at its address set forth on the first page of this lease or to any other address as may be specified by a party by a notice given as provided herein.

21. **NET LEASE AND UNCONDITIONAL OBLIGATION** This lease is a completely net lease and Lessee's obligation to pay rent and amounts payable by Lessee under paragraphs 12 and 18 is unconditional and not subject to any abatement, reduction, setoff or defense of any kind.

22. **NON-CANCELABLE LEASE** This lease cannot be canceled or terminated except as expressly provided herein.

23. **SURVIVAL OF INDEMNITIES** Lessee's Obligations under sections 3, 7, 8 and 16 shall survive termination or expiration of this lease.

24. **COUNTERPARTS** This Lease may be executed in any number of counterparts, which together shall constitute a single fully executed agreement. There shall be but one sole "Original" counterpart of this lease, which shall be held by Lessor, and such counterpart will be marked by Lessor "Original". To the extent that this lease constitutes chattel paper (as that term is defined by the UCC), a security interest may only be created in the lease marked "Original" by Lessor.

25. **REPRESENTATIONS AND WARRANTIES** Lessee hereby represents and warrants that: (a) if Lessee is a corporation, a partnership, a limited liability company, or other legal entity the execution, delivery and performance of this lease has been duly authorized by all necessary action on the part of Lessee and will not violate any provision of Lessee's articles of incorporation, by-laws, partnership agreement, articles of organization, management agreement, as the case may be, and the type and state of incorporation or organization is set forth on the first page hereof and Lessee will not change Lessee's legal name, state of organization or Lessee's type of entity without Lessor's prior written consent; (b) Lessee is duly organized and existing under the laws of the State in which Lessee is organized and duly qualified and in good standing in each jurisdiction in which the character of Lessee's properties or in which the transaction of business makes such qualification necessary; (c) this Lease constitutes Lessee's valid and legally binding obligation and is fully enforceable according to its terms and

the officer executing this Lease on behalf of Lessee has the corporate power and authority to enter into and perform this Lease and has been duly authorized by all necessary corporate action; (d) the Equipment will be used primarily for business purposes as opposed to agricultural purposes or personal, family or household purposes; (e) there are no pending actions or proceedings to which Lessee has any knowledge which would in the aggregate have a material adverse effect on the financial condition, operations or performance of Lessee; (f) neither Lessor nor any of Lessor's officers or employees is an agent of any supplier or manufacturer of the Equipment and neither supplier or manufacturer nor any of supplier's or manufacturer's officers or employees is an agent of Lessor's or is otherwise authorized to bind Lessor to any representation, warranty, term, condition or agreement; (g) all financial statements of Lessee heretofore given and hereafter to be given to Lessor are and will be true and complete in all material respects as of their respective dates, and fairly represent and will fairly represent the financial conditions of Lessee, and no material adverse change of Lessee has or will have occurred in the financial conditions reflected therein after the respective date thereof upon delivery to Lessor, unless Lessee notifies Lessor in writing of the same; (h) Lessee authorizes Lessor to pay the estimated Total Cost as set forth on the first page of this lease directly to the seller of the Equipment to the extent of the unpaid balance of the purchase price; and (i) Lessee and any other person who owns a controlling interest or otherwise controls Lessee in any manner is not listed on the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC") or other similar lists maintained by the federal government pursuant to any federal law or regulation regarding a person designated under Executive Order No. 13224, and in compliance with the Bank Secrecy Act regulations and federal regulations to prevent money laundering. All representations and warranties contained herein shall be continuing in nature and in effect at all times prior to Lessee satisfying all of Lessee's obligations to Lessor under this Lease.

26 OTHER COVENANTS: Lessee will furnish or cause to be furnished to Lessor during the term of this Lease: (a) within one hundred and twenty (120) days after the close of each fiscal year, audited financial statements reflecting Lessee's operations during such fiscal year, including without limitation a balance sheet and profit and loss statement; (b) within forty-five days (45) of the last day of each March, June, September and December (collectively a "Quarter-End") other than Lessee's fiscal year-end, unaudited management-prepared financial statements including without limitation a balance sheet and profit and loss statement; and (c) with respect to any guarantor of Lessee's Obligations, if guarantor is an individual, a personal financial statement on an annual basis and a copy of such guarantor's personal tax returns when filed, but in no event later than forty-five (45) days from the deadline to file such personal tax returns, and if guarantor is a corporation, limited liability company or other legal entity, within one hundred and twenty (120) days after the close of each fiscal year of guarantor, audited financial statements reflecting the operations of guarantor during such fiscal year, including without limitation a balance sheet and profit and loss statement and within forty-five days (45) of the last day of each Quarter-End other than guarantor's fiscal year-end, unaudited management-prepared financial statements including without limitation a balance sheet and profit and loss statement. Lessee shall ensure that all such statements are in reasonable detail, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year or Quarter-End and if audited statements are required, such statements shall be audited by a certified public accountant acceptable to Lessor and accompanied by a certificate of Lessee's chief financial officer, or the chief financial officer of guarantor, respectively, which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations (subject to normal year end adjustments). Lessee shall also deliver or cause to be delivered such other information as we may reasonably request from time to time, including without limitation other financial statements and information pertaining to Lessee or any guarantor. Lessor makes no representation with respect to the income tax consequences of this Lease or any Purchase Option or Purchase Agreement contained herein. Lessor may in its sole discretion treat the Lease as a sale regardless of how Lessee treats the Lease.

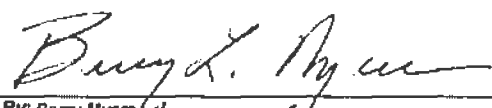
27 JURISDICTION; JURY WAIVER. THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA, OR IF THIS LEASE IS ASSIGNED BY LESSOR, THE LAWS OF THE STATE WHERE ASSIGNEE'S PRINCIPAL LOCATION IS LOCATED, BOTH EXCLUDING SUCH STATES CHOICE OF LAW PRINCIPLES. LESSEE AGREES THAT ANY ACTION OR PROCEEDING TO WHICH LESSEE IS A PARTY ARISING FROM OR DIRECTLY OR INDIRECTLY RELATED TO THIS AGREEMENT, SHALL BE LITIGATED IN ANY STATE OR FEDERAL DISTRICT COURT LOCATED WITHIN SHELBY COUNTY, ALABAMA, OR IF THIS LEASE IS ASSIGNED BY LESSOR THEN IN SUCH COUNTY AND STATE WHERE ASSIGNEE'S PRINCIPAL OFFICE IS LOCATED AND THAT SAID COURT SHALL HAVE EXCLUSIVE JURISDICTION THEREOF. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSOR AND LESSEE EACH WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY TO ANY ACTION, CLAIM OR SUIT ARISING OUT OF, RELATING TO, OR BROUGHT IN CONNECTION WITH THIS LEASE.

28 MISCELLANEOUS. Lessor shall not be deemed to have waived any of Lessor's rights hereunder unless such waiver is in writing and signed by Lessor. No delay or omission on the part of Lessor in exercising any right hereunder shall operate as a waiver of such right or any other right. This Lease constitutes the entire agreement between Lessor and Lessee and may be modified only by a written instrument signed by Lessor and Lessee. Lessee acknowledges that Lessor is a separate legal entity and distinct from Altec Industries, Inc. Any provision of this lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this lease and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. In the event there is more than one Lessee named herein, the obligations of each shall be joint and several.

Lessor: Altec Capital Services, LLC

Lessee: Taylor County Rural Electric Cooperative Corporation

Title: Manager


By: Barry Myers
MANAGER
Title



Lessee Name: Taylor County Rural Electric Cooperative Corporation
 Lease Number: 23434

Exhibit I

No.	Unit #	Description	Serial #	VIN #	Beginning Mileage Balance	Miles Allowance per Year	Equipment Cost	Sales Tax	Total Capitalized Cost	**Monthly Payment
1	125	2020 Kenworth T370 Altec Bucket AA55E MH	1119FH8611	2NKHHM7X5LM385602	149		\$175,496.00	\$10,529.76	\$186,025.76	\$2,629.40
						TOTAL	\$175,496.00	\$10,529.76	\$186,025.76	\$2,629.40

Asset Location Detail for all "Equipment" on this Lease.

Your equipment will be taxed for sales/use/property at the address listed below.

Borrower: Taylor County Rural Electric Cooperative

Barry Myers
 By: Barry Myers

No.	Address	City	State	County	Zip Code
1	625 W Main St	Campbellsville	KY	Taylor	42718-2510

*NOTE: Please fill in the mileage of the unit at time of delivery.
 **Any applicable sales/use tax to be included on monthly invoice.

**DELIVERY AND ACCEPTANCE CERTIFICATE
ALTEC CAPITAL SERVICES, LLC**

Lease Number: **234584**

Description	Serial #	Vin
2020 Kenworth T370 Altec Bucket AA55E MH	1119FH8611	2NKHHM7X5LM385602

By signing below I represent, warrant and agree on behalf of the Lessee named above:

1. I HAVE INSPECTED THE EQUIPMENT AND ACCEPT THE EQUIPMENT FOR ALL PURPOSES UNDER THE LEASE ON BEHALF OF THE LESSEE.
2. The Equipment is of the correct size, design, capacity and manufacture, as selected by the Lessee. It is in good condition and is working properly and has been delivered or installed in a satisfactory manner. The Equipment is suitable for the Lessee's purposes. If any portion of the Equipment has not been delivered or installed at the time I sign this document, the Lessee assumes all risk and responsibility, waives any right to reject the Equipment or revoke acceptance and agrees not to hold the Lessor responsible for delivery or installation of the Equipment.
3. I acknowledge that the Lessor is not the manufacturer of the Equipment or the manufacturer's agent and waive any defenses the Lessee may have now or in the future against the Lessor.
4. I acknowledge that the Lessor is relying on this Certificate in paying for the Equipment and that the inspection is my responsibility. I have had the opportunity to inspect the Equipment and to reject it. I accept the Equipment AS IS, WHERE IS. I confirm that the Lease is in full force and effect and that neither the Lessee nor the Lessor is in default under the Lease. MY SIGNING BELOW MAKES THE LEASE A NON-CANCELLABLE, UNCONDITIONAL OBLIGATION OF THE LESSEE.
5. I represent and warrant that I have the authority to execute this Certificate of Acceptance and Lessee authorizes Lessor to write in the Acceptance Date following telephone confirmation by Lessee of its receipt of the equipment (although I acknowledge that the Lessor is under no obligation to request such oral confirmation and that it is not a condition of acceptance of the Equipment).

DO NOT SIGN UNTIL EQUIPMENT HAS BEEN DELIVERED AND INSPECTED
DO NOT SIGN IF EQUIPMENT IS UNACCEPTABLE FOR ANY REASON

Lessee: **Taylor County Rural Electric Cooperative Corporation**

By: *Bryan L. Hume*

Title: MANAGER

Date: MAY 1, 2020

Truck 128



Titling and Registration

Lessee Name	Taylor County Rural Electric Cooperative Corporation
Lease Number	238539
Lease Type	LP - Lease Purchase

Please review the equipment listed below and confirm the titling and registration requirements.

*****THIS IS FOR INITIAL REGISTRATION ONLY. LESSEE IS REQUIRED TO PROCESS ALL RENEWALS.*****

Title & Reg. Contact Name:

Title & Reg. Contact Phone #:

Please provide the physical address of your Motor Vehicle Registration Office (DMV)

DMV Location Street Address:

203 North Court Street, Suite 5

DMV Location City, State:

Campbellsville, KY 42718

DMV Location Phone Number:

270-465-6677

****Altec Capital will send the title and registration package to the DMV listed above and will provide Lessee with the UPS tracking number by email.****

Confirm Registration Weight

No.	Description	Serial #	Vin	Registration Weight (Fill in)
1	2020 Freightliner M2-106 Altec Digger Derrick DM47 TR	0820FR6062	1FVACYFE8LH1.D5843	38,000

Confirm Registration Address (if incorrect fill in new address below)

No.	Address	City	State	County	Zip Code
1	625 W Main St	Campbellsville	KY	Taylor	42718-2510

Correct Address: 625 W Main St, P.O. Box 100, Campbellsville KY 42719-0100

Type of License Plate Required

CONFIRM (X)	Plate Description
X	Standard Commercial Vehicle plate(s) by weight
	IRP Apportioned Plate(s)
	OTHER (Please provide description if other state specific type required)



ALTEC CAPITAL SERVICES, LLC
 33 Inverness Center Parkway
 Suite 200
 Birmingham, AL 35242

Equipment LP Lease

Equipment Lease Number 238539

Name and Address of Lessee:

Taylor County Rural Electric Cooperative Corporation
 625 W Main St
 Campbellsville, KY 42718-2510

Equipment Description: See Exhibit I

Equipment Location: 625 W Main St Campbellsville, KY 42718-2510 (County: Taylor)

SUMMARY OF PAYMENT TERMS	
Initial Term in Months: 84	Total Cost: \$260,386.88
Payment Frequency: Monthly	Total Basic Rent: \$307,760.88
Basic Rental Payment: \$3,663.82 plus sales and use tax if applicable	Doc Fee: N/A
Number of Installments: 84	Interim Rent Cutoff Date: October 31, 2020
Advance Payment(s): First: 1 Last: 0 due on signing this Lease	Security Deposit: N/A
	Down Payment collected by ACS: N/A
Purchase Option: N/A	Rent Commencement Date: November 01, 2020
	Purchase Agreement: \$1.00

Lease Provisions

1. LEASE Altec Capital Services, LLC (the "Lessor") hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the property or other items listed or described on Exhibit I hereto, including but not limited to all inventory, fixtures and other properties comprising the same, such property, together with all replacements, substitutions, repairs, improvements and additions incorporated therein or affixed thereto being referred to herein individually, as an "Item" or "Item of Equipment" and collectively as the "Equipment" (listed above on the terms and conditions set forth herein.

2. TERM The term of this lease commences on the Acceptance Date and will continue until Lessee performs all of Lessee's Obligations hereunder, unless earlier terminated or cancelled in accordance with the terms of this Lease. Acceptance Date shall be the earliest of the following: (a) the date Lessee signs the Acceptance Certificate (b) the date that Lessor determines that Lessee commences use of any portion of the Equipment or (c) seven (7) days after the date on which, in Lessor's determination, substantially all of the Equipment has been delivered to Lessee if Lessee fails to notify Lessor that such Equipment is not acceptable. Lessee acknowledges and agrees that certain obligations of Lessee, including but not limited to Lessee's obligations with respect to section 12 and 13 will begin upon delivery of the Equipment. This Lease cannot be canceled or terminated except as expressly provided for herein. LESSEE'S OBLIGATIONS UNDER THIS LEASE ARE ABSOLUTE, UNCONDITIONAL AND NON-CANCELABLE IN ALL RESPECTS AND SHALL NOT BE SUBJECT TO TERMINATION, MODIFICATION OR REPUDIATION, AND SHALL BE PAID AND PERFORMED BY LESSEE WITHOUT NOTICE OR DEMAND AND WITHOUT ANY ABATEMENT, REDUCTION, DIMINUTION, SETOFF, DEFENSE, COUNTERCLAIM OR RECOUPMENT WHATSOEVER, INCLUDING BUT NOT LIMITED TO ANY MALFUNCTION OF THE EQUIPMENT, DAMAGE TO THE EQUIPMENT OR ANY INABILITY TO USE THE EQUIPMENT FROM ANY CAUSE WHATSOEVER, ANY PAST, PRESENT OR FUTURE CLAIMS THAT LESSEE MAY HAVE AGAINST LESSOR OR ANY MANUFACTURER, SUPPLIER, OR VENDOR OF ANY EQUIPMENT, OR ANY OTHER PERSON OR ENTITY WHATSOEVER. The Interim Term, ("Interim Term"), for each Item of Equipment shall begin on the Acceptance Date and shall continue through the Interim Rent Cutoff Date. The Initial Term, ("Initial Term"), shall begin on the Rent Commencement Date and shall continue for the period specified as the Number of Installments. The Initial Term of this Lease can be terminated as provided herein or extended automatically as provided below in this paragraph.

AUTOMATIC EXTENSION. Lessee or Lessor may terminate this Lease at the expiration of the Initial Term by giving the other at least 90 days prior written notice of termination. If neither Lessee nor Lessor gives such notice, then the term of this Lease shall be extended automatically on the same rental and other terms set forth herein (except that in any event rent during any extended term shall be payable in the amounts and at the times provided in paragraph 3) for successive periods of one month until terminated by either Lessee or Lessor giving the other at least 90 days prior written notice of termination.

3. RENT. Lessee shall pay as Basic Rent for the Initial Term of this lease the amount shown on the first page of this lease as Total Basic Rent. The Total Basic Rent shall be payable in installments each in the amount of the Basic Rental Payment plus sales and use tax thereon. Lessee shall pay advance installments and any Security Deposit, on the date it is executed by Lessee. Lessee's first Basic Rental Payment shall be due on the first day of the first month following the Acceptance Date (the "Initial Term Commencement Date") and basic rental payments shall be due on the first day of each rental payment period beginning with the Rent Commencement Date and continuing for the Number of Installments. If the actual cost of the Equipment is more or less than the Total Cost, the amount of each installment of rent will be adjusted up or down to provide the same yield to Lessor as would have been obtained if the actual cost had been the same as the Total Cost. Adjustments of 10% or less may be made by written notice from Lessor to Lessee. Adjustments of more than 10% shall be made by execution of an amendment to this lease reflecting the change in Total Cost and rent.

In addition to Total Basic Rent Lessee agrees to pay Interim Rent with respect to each separate item of Equipment during the Interim Term. Interim Rent is calculated as one thirtieth (1/30th) of the Basic Rental Payment for the number of days from and including the Acceptance Date to and including the Interim Rent Cutoff Date. Interim Rent accruing each calendar month shall be payable by the 10th day of the following month and in any event on the Rent Commencement Date. Lessee agrees that if the Equipment covered by this lease has not been accepted by providing Lessor an Acceptance Certificate within fourteen (14) days after delivery or if the Equipment is not delivered within thirty (30) days after the execution of this Lease, the Lessor may terminate this Lease and Lessee shall purchase from Lessor the items of Equipment then subject to the lease within five days after Lessor's request to do so for a price equal to Lessor's cost of such items plus all accrued but unpaid interim rent thereon. Lessee shall also pay any applicable sales and use tax on such sale.

During any extended term of this lease, basic rent shall be payable monthly in advance on the first day of each month during such extended term in the amount equal to the Basic Rental Payment if rent is payable monthly during the Initial Term or in an amount equal to the monthly equivalent of the Basic Rental Payment if rent is payable other than monthly during the Initial Term. In addition, Lessee shall pay any applicable sales and use tax on rent payable during any extended term.

4. SECURITY DEPOSIT. Lessor may commingle any such Security Deposit with other funds and shall have no obligations with respect thereto except as expressly agreed herein. Lessor may apply the Security Deposit to any payment due Lessor or to cure any default, in which event Lessee will promptly restore the Security Deposit to its full amount.

5. WARRANTIES. Lessee has selected each item of Equipment based upon Lessee's own judgment and disclaims any reliance upon any statements or representations made by Lessor. Lessee further agrees that there are no warranties, terms, conditions or agreements made by or on Lessor's behalf and neither the supplier, manufacturer nor any other party is Lessor's agent and Lessor is not the agent of any other party with respect to the Equipment, this Lease and the matters contemplated hereby. Lessor acknowledges that Lessor is not a "merchant" as that term is defined in the Uniform Commercial Code as presently adopted in the State of Alabama (the "UCC") with respect to the Equipment. LESSOR MAKES NO WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESS OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessee agrees to make the rental and other payments required hereunder without regard to the condition or the inability of the Equipment and to look only to persons other than

Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason be defective. So long as no Event of Default has occurred and is continuing, Lessor agrees, to the extent they are assignable, to assign to Lessee, without any recourse to Lessor, any warranty received by Lessor.

B. TITLE. NOTWITHSTANDING ANY CONTRARY LANGUAGE IN THIS DOCUMENT, this agreement evidences a lease-purchase arrangement that constitutes a secured financing and not a true lease for legal, tax and accounting purposes. Lessee hereby grants to Lessor a first priority security interest in the Equipment. Title shall at all times be in Lessee's name, subject to Lessor's security interest and any certificate of title shall list Lessee as owner and Lessor as lienholder. Title to the Equipment shall at all times remain in the possession of Lessor. Anything herein to the contrary notwithstanding, certificates of title for the Equipment may be held by a trust or other entity designated by Lessor and such circumstance shall not affect the parties' obligations or rights hereunder, except that all of Lessee's obligations to indemnify and provide insurance for the benefit of Lessor shall apply equally to such trust or other entity and the party acting as trustee or servicer. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

7. LAWS AND TAXES. Lessee shall comply with all laws and regulations relating to the Equipment and the Equipment's use and shall promptly pay when due all sales, use, property, excise and other taxes, fines and toll violations, and all license and registration fees now or hereafter imposed by any third party, governmental body or agency upon the Equipment or its use or the rentals hereunder. Upon request by Lessor, Lessee shall prepare and file all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction.

8. INDEMNITY. Lessee hereby agrees to defend, indemnify and hold Lessor, Lessor's employees, agents, officers, managers or members harmless from and against (a) all claims, demands, suits and legal proceedings (whether civil, criminal, administrative, investigative or otherwise) including but not limited to those arising out of (i) the actual or alleged manufacture, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, operation, maintenance, repair, return or other disposition of the Equipment, (ii) patent, trademark or copyright infringement, and (iii) any alleged or actual default by Lessee (collectively "Actions"), and (b) any and all penalties, losses, liabilities (including but not limited to negligence, tort and strict liability), damages, costs, court costs and any and all other expenses (including but not limited to attorneys' fees, judgments and amounts paid in settlement) incurred incident to, arising out of or in any way connected with any Actions, this Lease, any Equipment, or any other instrument, document or agreement executed in connection with or contemplated by any of the foregoing (collectively the "Losses"). Notwithstanding the foregoing, Lessee shall not be required to indemnify Lessor for any Losses or Actions resulting solely from Lessor's gross negligence or willful misconduct. Lessee shall, at Lessor's discretion, appear and defend any such action and pay the cost of the defense of any such action brought against Lessor, either alone or in conjunction with others, upon any such liability or claim. Lessee shall satisfy pay and discharge any and all judgments and fines that may be recovered against Lessor in any such action. The foregoing indemnities shall survive expiration, termination or cancellation of this Lease whether by expiration of time, by operation of law or otherwise.

9. INSPECTION. Lessor may inspect the Equipment at any time and from time to time during regular business hours.

10. ASSIGNMENT. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE WILL NOT SELL, ASSIGN, TRANSFER, SUBLET, PLEDGE, OR OTHERWISE ENCUMBER OR PERMIT A LIEN ARISING THROUGH LESSEE TO EXIST ON OR AGAINST ANY INTEREST IN THIS LEASE OR THE EQUIPMENT, or remove the Equipment from its location referred to on the first page of this lease. Lessor may assign its interest in this lease and sell or grant a security interest in all or any part of the Equipment without notice to or the consent of Lessee. Lessee agrees not to assert against any assignee of Lessor any claim or defense Lessee may have against Lessor. Lessee shall not use the equipment outside the continental United States.

11. USE; REPAIRS. Lessee will use the Equipment with due care and for the purpose for which it is intended. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefor, all at Lessee's sole cost and expense, ordinary wear and tear excepted. Lessee shall, at Lessee's expense, make all modifications and improvements to the Equipment required by law, and shall not make other modifications or improvements to the Equipment without the prior written consent of Lessor. All parts, modifications and improvements to the Equipment shall, when installed or made, immediately become the property of Lessor and part of the Equipment for all purposes.

12. LOSS OR DAMAGE. In the event any item of Equipment shall become lost, stolen, destroyed, damaged from any cause whatsoever or rendered permanently unfit for use for any reason, or in the event of condemnation, requisition or seizure of any item of Equipment (collectively an "Event of Loss") Lessee shall immediately, but in no event later than two (2) days after the Event of Loss, notify Lessor in writing of the circumstances and extent of such Event of Loss. Upon any such Event of Loss, at Lessor's sole discretion, Lessee will either (i) promptly pay Lessor the sum of (a) the amount of all rent and other amounts payable by Lessee hereunder with respect to such item due but unpaid at the date of such payment plus (b) the amount of all unpaid rent with respect to such item for the balance of the term of this lease not yet due at the time of such payment discounted from the respective dates installment payments would be due at the rate of 1.75% per annum plus (c) the dollar amount specified in either the "Purchase Agreement/Option" box on the first page of this lease (the "Lessor's Loss") or (ii) replace said Equipment with satisfactory new Equipment, with such determination being made by Lessor in Lessor's sole discretion. Upon payment of Lessor's Loss to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments shall be reduced accordingly based on the remaining Equipment. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this paragraph and Lessor shall be entitled to any surplus.

13. INSURANCE. Lessee shall procure and maintain on or with respect to the Equipment at Lessee's sole cost and expense (a) liability insurance insuring against liability for bodily injury and property damage in an amount satisfactory to Lessor of combined single limit coverage, but in no event less than \$1,000,000.00; and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement cost of the Equipment; provided that such amount is satisfactory to Lessor. Lessee shall furnish Lessor with a certificate of insurance, policy endorsements and other coverage that is satisfactory to Lessor evidencing the issuance of a policy or policies to Lessee in amounts as Lessor may determine herein naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the physical damage coverage. Each such policy shall be in such form and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy and Lessee shall obtain renewals thereof at least fifteen (15) full business days prior to the expiration thereof. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof.

In the event that Lessee does not provide Lessor with satisfactory proof of insurance, Lessee will pay Lessor a per diem insurance charge of \$0.15 per thousand of the Equipment's then Fair Market Value as a risk fee to Lessor until such time as Lessee provides satisfactory proof of insurance in amounts and coverage as required herein. The risk fee may include a profit to Lessor and is not intended to be insurance covering the Lessee.

With respect to Lessee's obligation to obtain and maintain physical damage insurance only, Lessee shall have the alternative right to elect to have Lessor purchase collateral damage insurance in Lessor's name as subject to approval. In the event of such election by Lessee, Lessee agrees to pay all costs relating to such insurance, together with an insurance cost transfer charge (which insurance costs may be more than the cost of insurance Lessee could purchase on its own) as compensation for being relieved of its obligation to obtain and maintain physical damage insurance coverage on the Equipment while such Equipment is in Lessee's care, custody or control. This insurance costs payable by Lessee will be separately disclosed to Lessee and added to its monthly lease payment set forth herein; provided that Lessee may prepay such amounts at any time and any such prepayment will be applied to Lessee's account. Lessee also agrees that it will not be a named insured or additional insured under any physical damage insurance policy purchased by the Lessor as a result of Lessee's election and that Lessee shall have no rights or benefits with respect to any collateral damage insurance policy so purchased by Lessor.

Lessee Elects Collateral Damage Coverage

Lessee Declines Collateral Damage Coverage

In the event that Lessee elects to have Lessor purchase collateral damage insurance, Lessee agrees, that in the event of loss to the Equipment, Lessee shall notify, in writing, within 24 hours of the loss, both Lessor and Lessor's insurance carrier of such loss at the address provided by Lessor for such notice. If Lessee elects to have Lessor purchase collateral damage insurance, (a) Lessee may cancel such insurance at any time by providing notice and evidence to Lessor and its insurance carrier that Lessee has obtained its own insurance satisfying the requirements set forth hereinabove in this lease or (b) we may cancel such insurance at any time by providing you sixty (60) days prior written notice and, upon any such cancellation, Lessee shall be entitled to a refund of any unearned insurance premium. However, Lessor's cancellation does not otherwise release Lessee from the coverage obligations herein. The collateral damage coverage policy does not include liability coverage for claims made against Lessee and will not satisfy any mandatory state liability insurance or financial responsibility laws that may apply.

IMPORTANT: LESSEE MUST SELECT AND INITIAL ONE OF THE INSURANCE OPTIONS ABOVE

14. **RETURN OF THE EQUIPMENT.** Upon the expiration of this lease, and provided that Lessee has not elected to exercise its option to purchase the Equipment, Lessee shall, at its expense immediately deliver the Equipment to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation, inspection, and other expenses relating to such delivery.

15. **ADDITIONAL ACTION.** Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to carry out more effectively the intent and purpose of this Lease, including the execution and delivery of appropriate financing statements to protect fully Lessor's interest hereunder in accordance with the UCC or other applicable law. Lessor and any assignee of Lessor is authorized to file one or more UCC financing statements without the signature of Lessee or signed by Lessor or any assignee of Lessor as attorney-in-fact for Lessee. Lessee hereby grants to Lessor a power of attorney in Lessee's name, to apply for a certificate of title for any item of Equipment that is required to be titled under the laws of any jurisdiction where the Equipment is or may be used and/or to transfer title thereto upon the exercise by Lessor of its remedies upon an Event of Default by Lessee under this Lease. Lessee will pay all costs of filing any financing, continuation or termination statements with respect to this Lease including, without limitation, any documentary stamp taxes relating thereto. Lessee will do whatever may be necessary to have a statement of the interest of Lessor and any assignee of Lessor in the Equipment noted on any certificate of title relating to the Equipment and will deliver said certificate to Lessor. If Lessee fails to perform or comply with any of its agreements, Lessor may perform or comply with such agreements in Lessor's own name or in Lessee's name as attorney-in-fact and the amount of any payments and expenses of Lessor incurred in connection with such performance or compliance, together with interest thereon at the rate provided below, shall be deemed rent payable by Lessee upon demand.

16. **LATE CHARGES.** If any installment of interim rent or basic rent or any other amounts owed by Lessee to Lessor under this Lease are not paid when due, Lessor may impose a late charge of up to 10% of the amount of the payment but in any event not more than permitted by applicable law. Payments thereafter received shall be applied first to delinquent installments and then to current installments.

17. **DEFAULT.** Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay when due any Interim Payment, Basic Rental Payment or any other amount due hereunder or otherwise with respect to the Obligations, (b) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder or with Affix Industries, Inc. or any other of Lessor's Affiliates (after giving effect to any applicable notice and/or cure provisions therein), (c) Lessee or any guarantor of Lessee's Obligations or any partner or member of Lessee if Lessee is a partnership or limited liability company respectively, shall (i) cease doing business as a going concern or make an assignment for the benefit of creditors, or (ii) voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or of all or a substantial part of Lessee's assets; (d) any individual Lessee, guarantor of this Lease, or partner of Lessee if Lessee is a partnership shall die, (e) any financial or credit information submitted by or on behalf of Lessee shall prove to have been false or materially misleading when made; (f) an event of default shall occur under any other Obligation Lessee owes to Lessor, (g) any indebtedness Lessee may now or hereafter owe to any Affiliate of Lessor shall be accelerated following a default there under or, if any such indebtedness is payable on demand, payment thereof shall be demanded; (h) if Lessee is a corporation, more than 50% of the shares of voting stock or equity interests of Lessee shall become owned by shareholders who were not owners of voting stock or equity interests of Lessee on the date this Lease begins or, if Lessee is a limited liability company or partnership, more than 50% of the interests in the Lessee shall become owned by a party that was not part of Lessee on the date this Lease begins, (i) Lessee, any direct or indirect owner of Lessee or any guarantor shall consolidate with or merge into, or sell or lease all or substantially all of Lessee's, owners' or any guarantor's assets to, any individual, corporation, or other entity, (j) any guarantor attempts to repudiate, revoke, rescind or cancel a guaranty with Lessor, and (k) Lessee or any guarantor shall suffer an adverse material change in Lessee's or any guarantor's financial condition from the date hereof, and as a result thereof Lessor deems itself or any of the Equipment to be insecure.

18. **REMEDIES.** Upon the occurrence of an Event of Default and at any time thereafter, Lessor may exercise any one or more of the remedies listed below as Lessor in Lessor's sole discretion may lawfully elect, provided, however, that upon the occurrence of an Event of Default specified in paragraph 17(d), an amount equal to Lessor's Loss as of the date of such occurrence shall automatically become due and payable without notice or demand of any kind:

a) Lessor may, by written notice to Lessee, terminate this lease and declare an amount equal to Lessor's Loss as of the date of such notice to be immediately due and payable and the same shall thereupon be and become immediately due and payable without further notice or demand, and all rights of Lessee to use the Equipment shall terminate but Lessee shall be and remain liable as provided in this paragraph 18. Lessee shall at Lessee's sole cost and expense promptly deliver the Equipment to Lessor at a location or locations within the continental United States designated by Lessor. Lessor may also enter upon the premises where the Equipment is located and either disable or take immediate possession of and remove the same with or without instituting legal proceedings.

b) Lessor may proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this lease or to recover, for breach of this lease, Lessor's Loss as of the date Lessor's Loss is declared due and payable hereunder.

c) In the event Lessor repossesses the Equipment, Lessor shall either retain the Equipment in full satisfaction of Lessee's obligation hereunder or sell or lease each item of Equipment in such manner and upon such terms as Lessor may in its sole discretion determine. The proceeds of such sale or disposition may be applied to or on account of such of the Obligations (including any additional amounts under clause (d) and (e) below. Lessor shall be entitled to any surplus and Lessee shall remain liable for any deficiency. For purposes of this section (c), the proceeds of any lease of all or any part of the Equipment by Lessor shall be the amount reasonably assigned by Lessor as the cost of such Equipment in determining the rent under such lease.

d) Lessor may recover interest on the unpaid balance of Lessor's Loss from the date it becomes payable until fully paid at the rate of the Lessor of 12% per annum or the highest rate permitted by law.

e) Lessor may exercise any other right or remedy available to it by law, in equity or by agreement, and may in any event recover legal fees and other expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder, including expenses of repossession, repair, storage, transportation, and disposition of the Equipment.

If this lease is deemed at any time to be a lease intended as security, Lessee grants Lessor a security interest in the Equipment to secure its obligations under this lease and all other indebtedness at any time owing by Lessee to Lessor and agrees that upon the occurrence of an Event of Default, in addition to, and without limitation of; the foregoing, Lessor shall have all of the rights and remedies of a secured party under the UCC. No remedy given in this section is intended to be exclusive, and each shall be cumulative but only to the extent necessary to permit Lessor to recover amounts for which Lessee is liable hereunder. No express or implied waiver by Lessor of any breach of Lessee's obligations hereunder shall constitute a waiver of any other breach of Lessee's obligations hereunder.

19. **PURCHASE.** Upon expiration of this lease, Lessee shall (a) cure any default under this lease, (b) if there is a dollar amount specified in the "Purchase Option" box on the first page of this lease, have the option, upon not less than sixty (60) days prior written irrevocable notice, to purchase all of the Equipment for the amount specified, plus applicable sales tax, and (c) if there is a dollar amount specified in the "Purchase Agreement" box on the first page of this lease, as required, and Lessee hereby irrevocably agrees, to purchase all of the Equipment for the amount specified, plus applicable sales tax. Any purchase of the Equipment pursuant to the preceding sentence shall be "AS IS-WHERE IS", with all faults and without any warranty whatsoever (and Lessor shall convey the Equipment to Lessee by bill of sale, containing a disclaimer of warranties, and shall return any titles to the Lessee).

20. **NOTICES.** Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally or deposited in the United States mail, postage prepaid, or by a nationally recognized express courier service (such as FedEx) addressed to recipient at its address set forth on the first page of this lease or to any other address as may be specified by a party by a notice given as provided herein.

21. **NET LEASE AND UNCONDITIONAL OBLIGATION.** This lease is a completely net lease and Lessee's obligation to pay rent and amounts payable by Lessee under paragraphs 12 and 18 is unconditional and not subject to any abatement, reduction, setoff or defense of any kind.

22. **NON-CANCELABLE LEASE.** This lease cannot be canceled or terminated except as expressly provided herein.

23. **SURVIVAL OF INDEMNITIES.** Lessee's Obligations under sections 3, 7, 8 and 16 shall survive termination or expiration of this lease.

24. **COUNTERPARTS.** This Lease may be executed in any number of counterparts, which together shall constitute a single fully executed agreement. There shall be but one sole "Original" counterpart of this lease, which shall be held by Lessor, and such counterpart will be marked by Lessor "Original". To the extent that this lease constitutes chattel paper (as that term is defined by the UCC), a security interest may only be created in the lease marked "Original" by Lessor.

25. **REPRESENTATIONS AND WARRANTIES.** Lessee hereby represents and warrants that: (a) if Lessee is a corporation, a partnership, a limited liability company, or other legal entity the execution, delivery and performance of this lease has been duly authorized by all necessary action on the part of Lessee and will not violate any provision of Lessee's articles of incorporation, by-laws, partnership agreement, articles of organization, management agreement, as the case may be, and the type and state of incorporation or organization is set forth on the first page hereof and Lessee will not change Lessee's legal name, state of organization or Lessee's type of entity without Lessor's prior written consent; (b) Lessee is duly organized and existing under the laws of the State in which Lessee is organized and duly qualified and in good standing in each jurisdiction in which the character of Lessee's properties or in which the transaction of business makes such qualification necessary, (c) this Lease constitutes Lessee's valid and legally binding obligation and is fully enforceable according to its terms and

the officer executing this Lease on behalf of Lessee has the corporate power and authority to enter into and perform this Lease and has been duly authorized by all necessary corporate action; (d) the Equipment will be used primarily for business purposes as opposed to agricultural purposes or personal, family or household purposes; (e) there are no pending actions or proceedings to which Lessee has any knowledge which would in the aggregate have a material adverse effect on the financial condition, operations or performance of Lessee; (f) neither Lessor nor any of Lessor's officers or employees is an agent of any supplier or manufacturer of the Equipment and neither supplier or manufacturer nor any of supplier's or manufacturer's officers or employees is an agent of Lessor's or is otherwise authorized to bind Lessor to any representation, warranty, term, condition or agreement; (g) all financial statements of Lessee heretofore given and hereafter to be given to Lessor are and will be true and complete in all material respects as of their respective dates, and fairly represent and will fairly represent the financial conditions of Lessee, and no material adverse change of Lessee has or will have occurred in the financial conditions reflected therein after the respective date thereof upon delivery to Lessor, unless Lessee notifies Lessor in writing of the same; (h) Lessee authorizes Lessor to pay the estimated Total Cost as set forth on the first page of this lease directly to the seller of the Equipment to the extent of the unpaid balance of the purchase price; and (i) Lessee and any other person who owns a controlling interest or otherwise controls Lessee in any manner is not listed on the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("OFAC") or other similar lists maintained by the federal government pursuant to any federal law or regulation regarding a person designated under Executive Order No. 13224, and in compliance with the Bank Secrecy Act regulations and federal regulations to prevent money laundering. All representations and warranties contained herein shall be continuing in nature and in effect at all times prior to Lessee satisfying all of Lessee's obligations to Lessor under this Lease.

26. **OTHER COVENANTS:** Lessee will furnish or cause to be furnished to Lessor during the term of this Lease: (a) within one hundred and twenty (120) days after the close of each fiscal year, audited financial statements reflecting Lessee's operations during such fiscal year, including without limitation a balance sheet and profit and loss statement; (b) within forty-five days (45) of the last day of each March, June, September and December (collectively a "Quarter-End") other than Lessee's fiscal year-end, unaudited management-prepared financial statements including without limitation a balance sheet and profit and loss statement, and (c) with respect to any guarantor of Lessee's Obligations, if guarantor is an individual, a personal financial statement on an annual basis and a copy of such guarantor's personal tax returns when filed, but in no event later than forty-five (45) days from the deadline to file such personal tax returns, and if guarantor is a corporation, limited liability company or other legal entity, within one hundred and twenty (120) days after the close of each fiscal year of guarantor, audited financial statements reflecting the operations of guarantor during such fiscal year, including without limitation a balance sheet and profit and loss statement and within forty-five days (45) of the last day of each Quarter-End other than guarantor's fiscal year-end, unaudited management-prepared financial statements including without limitation a balance sheet and profit and loss statement. Lessee shall ensure that all such statements are in reasonable detail, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year or Quarter-End and if audited statements are required, such statements shall be audited by a certified public accountant acceptable to Lessor and accompanied by a certificate of Lessee's chief financial officer, or the chief financial officer of guarantor, respectively, which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations (subject to normal year end adjustments). Lessee shall also deliver or cause to be delivered such other information as we may reasonably request from time to time, including without limitation other financial statements and information pertaining to Lessee or any guarantor. Lessor makes no representation with respect to the income tax consequences of this Lease or any Purchase Option or Purchase Agreement contained herein. Lessor may in its sole discretion treat the Lease as a sale regardless of how Lessee treats the Lease.

27. **JURISDICTION; JURY WAIVER:** THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ALABAMA. OR IF THIS LEASE IS ASSIGNED BY LESSOR, THE LAWS OF THE STATE WHERE ASSIGNEE'S PRINCIPAL LOCATION IS LOCATED, BOTH EXCLUDING SUCH STATES CHOICE OF LAW PRINCIPLES. LESSEE AGREES THAT ANY ACTION OR PROCEEDING TO WHICH LESSEE IS A PARTY ARISING FROM OR DIRECTLY OR INDIRECTLY RELATED TO THIS AGREEMENT, SHALL BE LITIGATED IN ANY STATE OR FEDERAL DISTRICT COURT LOCATED WITHIN SHELBY COUNTY, ALABAMA, OR IF THIS LEASE IS ASSIGNED BY LESSOR THEN IN SUCH COUNTY AND STATE WHERE ASSIGNEE'S PRINCIPAL OFFICE IS LOCATED AND THAT SAID COURT SHALL HAVE EXCLUSIVE JURISDICTION THEREOF. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSOR AND LESSEE EACH WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY TO ANY ACTION, CLAIM OR SUIT ARISING OUT OF, RELATING TO, OR BROUGHT IN CONNECTION WITH THIS LEASE

28. **MISCELLANEOUS:** Lessor shall not be deemed to have waived any of Lessor's rights hereunder unless such waiver is in writing and signed by Lessor. No delay or omission on the part of Lessor in exercising any right hereunder shall operate as a waiver of such right or any other right. This Lease constitutes the entire agreement between Lessor and Lessee and may be modified only by a written instrument signed by Lessor and Lessee. Lessee acknowledges that Lessor is a separate legal entity and distinct from Altec Industries, Inc. Any provision of this lease which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. In the event there is more than one Lessee named herein, the obligations of each shall be joint and several

Lessor: Altec Capital Services, LLC

Lessee: Taylor County Rural Electric Cooperative Corporation

Title: Manager

By: Barry Myers

Manager

Title



Lessee Name: Taylor County Rural Electric Cooperative Corporation
 Lease Number: 238539

Exhibit I

No.	Unit #	Description	Serial #	Vin #	Beginning Mileage Balance	Miles Allowance per Year	Equipment Cost	Sales Tax	Total Capitalized Cost	**Monthly Payment
1	128	2020 Freightliner M2-106 Altec Digger Derrick DM47 TR	0820FR6062	1FVACYFE8LHLB5843	833		\$245,648.00	\$14,738.88	\$260,386.88	\$3,663.82
						TOTAL	\$245,648.00	\$14,738.88	\$260,386.88	\$3,663.82

Asset Location Detail for all "Equipment" on this Lease.

No.	Address	City	State	County	Zip Code
1	625 W Main St	Campbellsville	KY	Taylor	42718-2510

Your equipment will be ~~taxed~~ for sales/use/property at the address listed above.

~~Lessee:~~ Taylor County Rural Electric Cooperative Corporation

Barry L. Myers
 By: Barry Myers

*NOTE: Please fill in the mileage of the unit at time of delivery.
 **Any applicable sales/use tax to be included on monthly invoice.

**DELIVERY AND ACCEPTANCE CERTIFICATE
ALTEC CAPITAL SERVICES, LLC**

Lease Number: 238539

Description	Serial #	Vin
2020 Freightliner M2-106 Altec Digger Derrick DM47 TR	0820FR6062	1FVACYFE8LHLB5843

By signing below I represent, warrant and agree on behalf of the Lessee named above:

1. I HAVE INSPECTED THE EQUIPMENT AND ACCEPT THE EQUIPMENT FOR ALL PURPOSES UNDER THE LEASE ON BEHALF OF THE LESSEE.
2. The Equipment is of the correct size, design, capacity and manufacture, as selected by the Lessee. It is in good condition and is working properly and has been delivered or installed in a satisfactory manner. The Equipment is suitable for the Lessee's purposes. If any portion of the Equipment has not been delivered or installed at the time I sign this document, the Lessee assumes all risk and responsibility, waives any right to reject the Equipment or revoke acceptance and agrees not to hold the Lessor responsible for delivery or installation of the Equipment.
3. I acknowledge that the Lessor is not the manufacturer of the Equipment or the manufacturer's agent and waive any defenses the Lessee may have now or in the future against the Lessor.
4. I acknowledge that the Lessor is relying on this Certificate in paying for the Equipment and that the inspection is my responsibility. I have had the opportunity to inspect the Equipment and to reject it. I accept the Equipment AS IS, WHERE IS. I confirm that the Lease is in full force and effect and that neither the Lessee nor the Lessor is in default under the Lease. MY SIGNING BELOW MAKES THE LEASE A NON-CANCELLABLE, UNCONDITIONAL OBLIGATION OF THE LESSEE.
5. I represent and warrant that I have the authority to execute this Certificate of Acceptance and Lessee authorizes Lessor to write in the Acceptance Date following telephone confirmation by Lessee of its receipt of the equipment (although I acknowledge that the Lessor is under no obligation to request such oral confirmation and that it is not a condition of acceptance of the Equipment).

DO NOT SIGN UNTIL EQUIPMENT HAS BEEN DELIVERED AND INSPECTED
DO NOT SIGN IF EQUIPMENT IS UNACCEPTABLE FOR ANY REASON

Lessee: **Taylor County Rural Electric Cooperative Corporation**

By: _____

Title: Manager

Date: _____

10/21/20



Master Lease

The "Master Lease": Master Lease Number 0863164L Dated April 1, 2022	
"Lessee": Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718	
Fax:	E-mail:
"Lessor": The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441	
Fax: (800) 844-3577	E-mail: EFCustomerService@huntington.com

Master Lease Terms and Conditions

1. LEASE. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the personal property and/or services described in an Equipment Schedule or Equipment Schedules (each, a "Schedule") to this Master Lease signed by Lessor and Lessee from time to time upon the terms and conditions set forth herein and in the Schedule (such property and services, together with all replacements, repairs, and additions incorporated therein or affixed thereto, being referred to herein as the "Equipment"). Lessee authorizes Lessor to add to any Schedule, or make necessary corrections to, any serial numbers or other identification of the Equipment when known. Each Schedule shall be considered a separate lease pursuant to the terms of this Master Lease. The term "this lease" as used herein shall mean a Schedule incorporating therein the terms and conditions set forth in this Master Lease. Capitalized terms shall have the meanings given to them in the Schedule or herein. In the event of a conflict between the terms of any Schedule and the terms of this Master Lease, the terms of the Schedule shall control. Notwithstanding any provision herein or in any Schedule to the contrary, Lessor shall have no obligation to purchase, fund or lease to Lessee any Equipment if (i) all of Lessor's requirements shall not have been satisfied on or before the date that Lessor's credit approval shall expire with respect to the lease of such Equipment, or (ii) any material adverse change in Lessee's condition or business shall have occurred as of the date of such proposed purchase, funding or lease from that considered by Lessor in connection with the credit approval for such lease. In the event that either of the foregoing shall occur, Lessor may, in its sole discretion, cancel the lease of the Equipment covered by the applicable Schedule, and Lessee shall purchase from Lessor any items of Equipment then subject to the lease within five days after Lessor's request to do so for a price equal to Lessor's cost of such items, plus any other amounts advanced by Lessor under such Schedule, plus all accrued but unpaid interim rent thereon, as provided for in paragraph 3 below. Lessee shall also pay any applicable sales and use tax on such sale.

2. TERM. The term of this lease with respect to each item of Equipment shall begin on the date it is accepted by Lessee and shall continue for the number of consecutive months from the Commencement Date shown in the related Schedule (the "Initial Term") unless earlier canceled, terminated or extended as provided herein. Lessee shall promptly inspect each item of Equipment upon delivery and, if acceptable in all respects, when the last item of Equipment is delivered, execute and deliver a certificate of acceptance, in form acceptable to Lessor. Lessee hereby authorizes Lessor to fill in the Commencement Date in the Schedule based upon the date appearing on the delivery and acceptance certificate. If the final item of Equipment is delivered and accepted on the first day through the 15th day of the month, the Commencement Date is the 15th day of the month; and if the final item of Equipment is delivered and accepted on the 16th day through the end of the month, the Commencement Date is the first day of the following month.

3. RENT. Lessee shall pay basic rent for the Initial Term of this lease, and any renewal term, in periodic installments each in the amount shown in the related Schedule as the Rent Payment. Installments shall be payable as set forth in the related Schedule. Lessee shall pay advance installments and any security deposit, each as shown in the related Schedule, on the date Lessee executes such Schedule. If the final cost of the Equipment (all amounts Lessor pays in connection with the purchase, delivery and installation of the Equipment, including any trade-up and buy out amounts, before application of any subsidies or like amounts) plus other amounts financed under the Schedule is more or less than the Total Cost shown in the Schedule (which is based on an estimate), the amount of each Rent Payment and the mandatory or optional fixed purchase price, if any, will be adjusted up or down to provide Lessor the same yield it would have obtained if such final cost had been the same as such Total Cost. The Schedule will be amended to reflect the final Total Cost and adjusted Rent Payment and, if applicable, purchase price. Lessee agrees to execute an amendment reflecting such adjustments; provided that Lessor's written notice to Lessee of adjustments of 10% or less shall be effective as an amendment, without Lessee's signature. The Rent Payment for this lease has been indexed to the Swap Rate. "Swap Rate" means, as of the applicable date, the "ICE Swap Rate - USD Rates SOFR 1100" as published by Intercontinental Exchange, Inc. on its website, www.theice.com, for a similar term to the Initial Term of this Lease (or, if no rate is quoted for a particular maturity, a rate will be interpolated by Lessor based on similar maturities), for the date that is three (3) business days prior to the applicable date (or, if no rate is quoted for such date, the next business day for which such rate is quoted); or, if such index is no longer available or so published, the rate determined by Lessor under a similar successor index chosen by Lessor in its sole discretion. If such Swap Rate as of the date that the final item of Equipment under this lease is accepted is more than the Swap Rate as of the date of the applicable Schedule, Lessor may increase the Rent Payment accordingly, and Lessee hereby agrees to sign an amendment reflecting such increase by no later than the Commencement Date of this lease. In addition to basic rent payable from the Commencement Date, Lessee agrees to pay interim rent with respect to each separate item of Equipment covered by a particular Schedule from the date it is delivered and accepted to the Commencement Date, at a daily rate equal to (i) Lessor's cost of such item specified in such Schedule or in an applicable invoice, multiplied by (ii) the Interim Rent Daily Factor specified in such Schedule. Interim rent accruing each calendar month shall be payable by the 10th day of the following month and in any event on the Commencement Date.

4. PAYMENTS, LATE FEES AND SECURITY DEPOSIT. Time is of the essence. If any installment of interim rent or basic rent or any other amount payable by Lessee hereunder is not paid within ten (10) days of the date when due, Lessor may impose a late fee of up to 10% of the amount of the installment, but in no event more than permitted by applicable law. Lessee may from time to time make telephonic requests for, and Lessee hereby authorizes, Lessor or its agents to make and draw checks or drafts on a checking account to be designated by Lessee, payable to Lessor or order, to pay rent and other amounts due hereunder, plus Lessor's standard per item fee for making and drawing such check or draft not to exceed the maximum amount permitted by law. Lessor may rely on any such request made by a person it believes has authority to make such request on behalf of Lessee. Payments received shall be applied by Lessor in such order of application as Lessor shall determine, in its sole discretion. Lessee has deposited or will deposit with Lessor the sum shown as "Security Deposit", if any, on each Schedule as a security deposit and not as advance rent. Upon the occurrence of any Event of Default, Lessor may, at its option, apply any security deposit to any amounts owed under this lease by Lessee, in which event Lessee shall promptly pay a sufficient amount to Lessor to restore the security deposit to the full amount specified in the Schedule. Following termination of this lease, Lessor shall return any remaining balance of the security deposit(s), if any, without interest, to Lessee if and only if Lessee has fulfilled all of its obligations under this lease.

5. TAXES, FEES AND LESSOR'S EXPENSES. In addition to the rent, Lessee agrees to promptly pay when due, or reimburse Lessor upon receipt of Lessor's invoice, all fees, assessments, charges and sales, use, property, excise and other taxes paid, payable or required to be collected by Lessor, however designated, which are levied or assessed by any governmental authority on the rent, this lease or the Equipment or its purchase, ownership, use, lease, sale or value, together with any penalties or interest in connection therewith. Lessor shall file all personal property tax returns and pay all such taxes when due and Lessee shall reimburse Lessor therefor and file all returns required to be filed by Lessee. Upon request by Lessor, Lessee shall prepare and file all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction. Lessee shall promptly pay all costs, charges, expenses and obligations of every kind and nature incurred by or on behalf of Lessor regarding the importation, shipment, delivery, possession, use, lease, tax treatment, return, repossession, storage and transfer of any item of Equipment. In addition, Lessee agrees to pay Lessor a fee, in an amount determined by Lessor, not to exceed the maximum amount from time to time permitted by applicable law, for any check or automatic payment withdrawal request that is returned to Lessor because of insufficient funds available in Lessee's account or a stop payment. If Lessor, in its discretion, pays any tax, fee, charge or other amount described in this paragraph, Lessee shall reimburse Lessor, therefor on demand, together with Lessor's administrative and other costs of paying and invoicing such amounts and, if Lessee fails to pay Lessor any such amount within ten (10) days of such demand, Lessee shall pay interest thereon until paid at the rate of 18% per annum or the maximum rate allowable by law, whichever is less.

6. LESSOR DISCLAIMER OF WARRANTIES. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE WITH RESPECT TO, OR ANY OTHER MATTER CONCERNING, THE EQUIPMENT AND EXPRESSLY DISCLAIMS ANY SUCH WARRANTIES OR ANY OTHER WARRANTIES IMPLIED BY LAW. LESSOR MAKES NO WARRANTIES WITH RESPECT TO ANY PATENT, COPYRIGHT, TRADEMARK, TRADE NAME OR TITLE RELATING TO THE EQUIPMENT OR LESSEE'S RIGHTS TO ANY SUCH INTELLECTUAL PROPERTY. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY THE EQUIPMENT OR BY ANY DEFECT THEREIN, OR BY THE USE OR MAINTENANCE OF, OR SERVICING OR ADJUSTMENT TO, THE EQUIPMENT AND, AS TO LESSOR, LEASES THE EQUIPMENT AS-IS AND WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND. LESSOR WILL NOT BE LIABLE FOR ANY LOSS OR INTERRUPTION OF OR DAMAGE TO LESSEE'S BUSINESS ON ACCOUNT OF ANY MECHANICAL FAILURE OR DELAY IN CONNECTION WITH THE FURNISHING OR USE OF THE EQUIPMENT. Lessee acknowledges that Lessor is not a dealer or manufacturer of Equipment of any kind and is not the seller of the Equipment, and that each unit of Equipment is of a type, size, design and capacity selected solely by Lessee. Lessee also acknowledges that Lessor supplies the Equipment without any obligation to install, test, erect, service or maintain the Equipment. If the Equipment is not properly installed, does not operate as represented or warranted by the manufacturer or seller thereof, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against the manufacturer or seller and no such occurrence shall relieve Lessee of any of its obligations under this lease. The only warranty applicable to any Equipment is the manufacturer's warranty, if any (in the case of new Equipment) and Lessor makes no warranty to Lessee. Lessee acknowledges receipt of the manufacturer's warranty with respect to any new Equipment. So long as Lessee is

not in default under this lease, Lessor assigns to Lessee any manufacturer's, seller's or other warranty, whether express or implied, on the Equipment and any claim that Lessor may have as owner of the Equipment against the manufacturer or supplier or any other person. All claims or actions on any warranty shall be made or prosecuted by Lessee, at its sole expense, and Lessor shall have no obligation whatsoever to make any claim on such warranty. Lessor is not liable for any modification, breach or rescission of any warranty or service agreement. Any agreement that Lessee may have with any third party, including any manufacturer or vendor, relating to services shall be separate and distinct from this lease and Lessor shall not have any obligations thereunder. Lessee acknowledges that this lease constitutes a "finance lease" under UCC Article 2A in all respects, and that Lessor's sole obligations to Lessee hereunder is not to interfere with Lessee's quiet enjoyment of the Equipment so long as Lessee is not in default hereunder. Subject to the foregoing sentence and to the extent permitted by law, Lessee unconditionally and irrevocably waives any and all rights and remedies against Lessor at law or in equity (including, without limitation, any rights and remedies granted Lessee under Article 2A of the Uniform Commercial Code and/or the right to reject any Equipment or repudiate this lease). Lessee agrees that Lessor assumes no liability for and makes no representation as to the treatment by Lessee of this lease, the equipment or the rent payments for financial statement or tax purposes. In the event that there is a material adverse change in Lessee's financial condition, as determined by Lessor, prior to Lessor's payment for any Equipment to be leased hereunder, Lessee agrees that Lessor shall have no obligation to purchase such Equipment and lease it to Lessee.

7. **DELIVERY, OWNERSHIP, LOCATION AND INSPECTION.** Lessee shall pay for all transportation, insurance and any other charges with respect to delivery and installation of the Equipment. The Equipment shall at all times remain the property of Lessor. Lessee shall have no right, title or interest in the Equipment, except as set forth herein. Lessee at its expense shall protect and defend the title and interest of Lessor and keep the Equipment free of all claims and liens other than claims and liens created by or arising through Lessor. The Equipment shall remain personal property regardless of its attachment to realty, and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment. Lessee will provide a suitable place, within the continental United States, for the Equipment and shall not remove the Equipment from the Equipment location without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessor may inspect the Equipment and Lessee's records relating to the Equipment at any time during regular business hours and to the extent required, Lessee shall take all actions and provide such support as may be necessary for Lessor to access restricted areas in order to inspect the Equipment.

8. **ADDITIONAL DOCUMENTS AND INFORMATION; COSTS AND EXPENSES.** Lessee shall execute and deliver to Lessor such other documents and provide such information as Lessor may reasonably deem necessary to evidence or protect Lessor's interests in the Equipment and Lessor's rights under this lease. Lessee authorizes Lessor to file such instruments as may be necessary to protect Lessor's interests in the Equipment (including financing statements and certificates of title) without Lessee's signature and if such signature is required by law, Lessee appoints Lessor as Lessee's attorney-in-fact to execute such items, in Lessee's name. To the extent permitted by applicable law, upon demand, Lessee will reimburse and pay Lessor's costs and expenses, including attorneys' fees and costs, with respect to the underwriting, documentation, making and any amendment and other modification of this lease and all related documents, including without limitation the costs of filing all financing statements and other perfection documents and all amendments thereto, and continuations, releases and terminations thereof, in all public offices in which Lessor may deem filing to be appropriate, obtaining and reviewing searches of filing offices and organizational records; obtaining, reviewing, negotiating and executing other documentation required by Lessor hereunder, requested by Lessee or otherwise deemed necessary or appropriate in connection with this lease and the related documents. Any document fee collected by Lessor in advance is intended to cover only Lessor's costs of filing an initial financing statement against Lessee and of preparing this lease and the standard documents related to this lease; and additional costs, reimbursable by Lessee, may be incurred in connection with the closing of this lease transaction or thereafter. Upon request by Lessor, Lessee shall verify in writing the location of the Equipment and provide Lessor with all records relating to the Equipment, including without limitation, maintenance information. Lessee shall furnish Lessor with such financial information as Lessor may from time to time request. Lessee hereby warrants and represents that all financial statements heretofore and hereafter delivered to Lessor by or on behalf of Lessee have been and will be prepared in accordance with generally accepted accounting principles consistently applied, and all statements and data submitted to Lessor in connection with this lease shall be complete and accurate in all respects.

9. **INDEMNITY.** Lessee shall hold Lessor harmless from, and pay to Lessor the amount of, any fine, penalties or other amounts for which Lessor is held liable as a result of, and any legal expenses Lessor has arising out of, the return, use, condition, ownership or operation of any item of Equipment, including any claims made under the strict liability doctrine, and as a result of any lien, encumbrance or claim made on the Equipment by anyone, including Lessee's employees and agents. Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, damages (including reasonable attorneys' fees), obligations, liabilities and liens (including any of the foregoing arising or imposed without Lessee's fault or negligence, or in connection with latent or other defects, or any claim for patent, trademark or copyright infringement or under the doctrine of "strict liability"), imposed or incurred by or asserted against Lessor or its successors or assigns, arising out of the manufacture, purchase, lease, possession, operation, condition, return or use of the Equipment, by operation of law or by Lessee's failure to comply with the terms of this lease. Upon written notice by Lessor of the assertion of any claim hereby indemnified against, Lessee shall assume full responsibility for the defense thereof.

10. **USE AND REPAIRS.** Lessee shall use the Equipment within its recommended capacities and only for the purpose(s) for which it was designed. Lessee shall comply with all laws, regulations and ordinances relating to the possession and use of the Equipment including, without limitation, job safety, health, fire and environmental laws applicable to the Equipment. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefor, all at its expense, ordinary wear and tear excepted. Lessee will use only manufacturer's approved fluids, replacement parts and components in the performance of any maintenance and repair of the Equipment. Lessee shall, at its expense, make all modifications and improvements to the Equipment required by law, and shall not make other modifications or improvements without the prior written consent of Lessor. All parts, modifications and improvements to the Equipment shall, when installed or made, immediately become the property of Lessor and part of the Equipment for all purposes.

11. **LOSS OR DAMAGE.** Lessee hereby assumes and shall bear the entire risk of loss, theft, damage or destruction of all or any item of the Equipment from any cause whatsoever; and no loss, theft, damage or destruction of all or any item of the Equipment shall relieve Lessee of its obligation to pay rent or of any other obligation under this lease, which shall continue in full force and effect, notwithstanding such loss, theft, damage or destruction. The risk of loss shall pass to Lessee on the earlier of (i) delivery of the Equipment to a carrier for shipment to Lessee or (ii) tender of the Equipment to Lessee. In the event of damage to any item of Equipment, Lessee shall immediately place the same in good repair (ordinary wear and tear excepted). Lessee shall promptly notify Lessor of any loss, theft, material damage or destruction of the Equipment and, if Lessor determines that any item of Equipment is lost, stolen, destroyed, worn out or damaged beyond repair as a result of ordinary use, neglect, abuse or any other cause whatsoever, Lessee, at the option of Lessor, will: (a) replace the same with similar Equipment in good repair, or (b) pay to Lessor: (i) all rent and other amounts due from Lessee hereunder with respect to such item but unpaid at the date of such payment plus (ii) all rent with respect to such item for the balance of the term of this lease not yet due at the time of such payment, discounted from the respective dates installment payments would be due, at the rate of 3% per annum, plus (iii) the greater of (x) ten percent of the Total Cost related to such item as set forth in the Schedule, or (y) Lessor's "Anticipated Residual Value" of such item of Equipment, as determined by the books of Lessor as of the Commencement Date of the applicable Schedule, or (z) the Mandatory Purchase Price of such item, if applicable. Upon payment of such amount in immediately available funds to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this paragraph, in such order of application as Lessor, in its sole discretion, may determine, and Lessor shall be entitled to any surplus.

12. **INSURANCE.** Lessee shall obtain and maintain on or with respect to the Equipment at its own expense (a) liability insurance insuring against liability for bodily injury and property damage with a minimum limit of \$1,000,000.00 combined single limit or such greater amount as may be set forth in any Schedule or as may be prescribed by any applicable state law specifying minimum insurance requirements, and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement value of the Equipment. Lessee shall furnish Lessor with a certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the property damage coverage. Each such policy shall be in such form, including a maximum deductible, and with such inclusions as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 30 days' prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirements hereof. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts for loss or damage under any such physical damage insurance policy. In the event Lessee fails to procure, maintain, pay for or provide Lessor with evidence of the insurance required by this lease, or to pay any fees, assessments, charges or taxes as required in this lease, Lessor shall have the right, but not be obligated, to obtain insurance covering Lessor's interest in the Equipment from an insurer of Lessor's choice, or pay said fees, assessments, charges and taxes, as the case may be. In that event, Lessee shall reimburse Lessor upon demand for the cost thereof, together with interest until paid at the rate of 18% per annum or the maximum rate allowable by law, whichever is less, and failure to pay the same shall constitute an Event of Default under this lease. At Lessor's discretion, Lessor may add all costs of acquiring and maintaining any insurance provided for herein, including without limitation all premiums therefor and all premium finance charges, documentation fees, tracking fees and all other fees and charges incurred by Lessor in connection therewith, plus fees for Lessor's services in placing and maintaining such insurance (all such premiums, costs, fees and charges are referred to herein, collectively, as the "Insurance Charge"), to the amounts due from Lessee under this lease. Lessee will pay the Insurance Charge in equal installments allocated to the remaining

Rental Payments due under this lease (plus interest on such allocation at 18% per annum or the maximum rate allowable by law, whichever is less) NOTHING IN THIS LEASE WILL CREATE AN INSURANCE RELATIONSHIP OF ANY TYPE BETWEEN LESSOR AND ANY OTHER PERSON.

13. **RETURN OF THE EQUIPMENT.** Unless Lessee purchases the Equipment or the term of this lease has been extended or renewed, each strictly in accordance with the terms and conditions set forth in this lease, upon the expiration or earlier cancellation or termination of this lease, Lessee shall, at its sole expense and risk, in accordance with applicable industry standards and manufacturers recommendations, de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. The Equipment shall be in the same condition as when received by Lessee, reasonable wear and tear resulting from normal and proper use excepted, capable and ready for reuse by another user without the need for repair or refurbishment (and, if applicable, in the condition set forth in the Schedule or any rider or addendum thereto), and shall be in good condition and working order as required by this lease, shall be free and clear of any liens, shall comply with all applicable laws and regulations and shall include all manuals, specifications, repair and maintenance records and similar documents. Lessee must be able to demonstrate that the Equipment can perform at its performance specifications according to the manufacturer's standards. If requested by Lessor, at least thirty (30) days prior to expiration or upon earlier termination of this lease, Lessee shall cause the manufacturer's representative or a qualified equipment maintenance provider acceptable to the Lessor to perform a comprehensive inspection of the Equipment. Following such inspection, a certification letter from the inspecting technician as to the working condition and performance of the Equipment in conformance with the manufacturer's performance specifications must be provided to the Lessor. The cost of the inspection, assessment and written certification shall be borne by the Lessee. If it is determined that maintenance or repairs are needed to meet the manufacturer's performance specifications, at Lessor's request Lessee shall cause such repairs and maintenance to be made at Lessee's expense or remit the cost of such maintenance or repairs to the Lessor as payment for extraordinary wear and tear of the Equipment. Until any Equipment is returned as required above, all terms of this lease shall remain in full force and effect with respect thereto including, without limitation, obligations to pay rent and to insure and repair such Equipment.

14. **DEFAULT.** Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay any installment of rent or other payment required hereunder when due; (b) Lessee shall fail to observe or perform any other covenant or agreement to be observed or performed by Lessee hereunder and such failure continues for ten (10) days following written notice thereof by Lessor to Lessee; (c) Lessee or any guarantor of this lease or any partner of Lessee if Lessee is a partnership shall cease doing business as a going concern or make an assignment for the benefit of creditors; (d) Lessee or any guarantor of this lease or any partner of Lessee if Lessee is a partnership shall admit in writing an inability to pay debts as they come due, authorize or voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or of all or a substantial part of its assets; (e) any individual Lessee, guarantor of this lease, or partner of Lessee if Lessee is a partnership shall die; (f) any representation or warranty made by Lessee or any guarantor of this lease in conjunction with this lease or financial or credit information submitted by or on behalf of Lessee or any guarantor of this lease shall prove to have been false or materially misleading when made; (g) an event of default shall occur under any other obligation Lessee or any guarantor of this lease owes to Lessor; (h) any material indebtedness of Lessee or any guarantor of this lease shall be accelerated following a default thereunder or, if any such indebtedness is payable on demand, payment thereof shall be demanded; (i) if Lessee or any guarantor of this lease is a corporation, partnership or limited liability company, more than 50% of the equity interests therein shall become owned by, or subject to control or the power to vote by, parties who had no such interest on the date this lease begins; (j) Lessee or any guarantor of this lease shall divide or shall consolidate with or merge into, or sell or lease all or substantially all of its assets to, any individual, corporation, or other entity; (k) Any guarantor shall repudiate, revoke or purport to revoke such guarantor's guaranty of this lease or shall fail to observe or perform any of the obligations of guarantor under such guaranty; or, (l) Lessee no longer occupies the premises where any Equipment subject to this lease is located, or the mortgagee or owner of such premises asserts the right to take possession thereof or to exercise eviction or other remedies under the mortgage or lease of the premises.

15. **REMEDIES.** Upon the occurrence of an Event of Default and at any time thereafter, Lessor may, with or without canceling or terminating this lease, exercise any one or more of the following remedies as Lessor in its sole discretion may lawfully elect: (a) Upon written notice to Lessee cancel or terminate this lease and any or all Schedules to this Master Lease; (b) Declare immediately due and payable and recover from Lessee, as liquidated damages and not as a penalty, an amount equal to the sum of (i) all rent and other amounts then due and unpaid plus (ii) all rent and any other payments to become due hereunder for the full term of this lease discounted from their respective due dates at the rate of 3% per annum, plus (iii) the greater of (A) ten percent (10%) of the Total Cost related to the Equipment as set forth in the applicable Schedule, or (B) Lessor's "Anticipated Residual Value" of the Equipment, as determined by the books of Lessor as of the Commencement Date of the applicable Schedule, or (C) the Mandatory Purchase Price of the Equipment, if applicable, and such sum of items (i) through (iii) ("Lessor's Damages") shall thereupon become immediately due and payable without further notice or demand; provided, however, that upon the occurrence of an Event of Default specified in paragraph 14 (d), such amount shall automatically become due and be immediately due and payable without notice or demand of any kind and all rights of Lessee to use the Equipment shall terminate but Lessee shall be and remain liable as provided in this paragraph 15; (c) Proceed by appropriate court action to enforce performance by Lessee of the applicable covenants of this lease and/or recover damages for the breach thereof; (d) Whether or not this lease is canceled or terminated, repossess the Equipment wherever located, with or without notice to Lessee or legal process, and for this purpose Lessor and/or its agents may enter upon any premises of or under the control or jurisdiction of Lessee or any agent of Lessee, without liability therefor to Lessee, and remove the Equipment; or upon demand by Lessor, Lessee agrees to deliver the Equipment to Lessor in accordance with paragraph 13; (e) Lessor may recover interest on the unpaid balance of Lessor's Damages from the date it becomes payable until fully paid at the rate of the lesser of 18% per annum or the highest rate permitted by law, and may in any event recover legal fees and other expenses incurred by reason of an Event of Default or the exercise of any remedy hereunder, including expenses of inspection, repossession, repair, storage, transportation, testing, disassembly, crating, loading, cribbing charges, re-assembly and disposition of the Equipment; (f) Lessor may exercise any other right or remedy available to it by law or by agreement. In the event Lessor repossesses the Equipment, Lessor shall either retain the Equipment in full satisfaction of Lessee's obligation hereunder or use reasonable efforts to sell or lease each item of Equipment in such manner and upon such terms as Lessor may determine in its sole discretion. The proceeds of such sale or lease shall be applied to reimburse Lessor for Lessor's Damages and any additional amount due under clause (e) above. Lessor shall be entitled to any surplus and Lessee shall remain liable for any deficiency. No remedy given in this paragraph is intended to be exclusive, and each shall be cumulative but only to the extent necessary to permit Lessor to recover amounts for which Lessee is liable hereunder. No express or implied waiver by Lessor of any breach of Lessee's obligations hereunder shall constitute a waiver of any other breach of Lessee's obligations hereunder.

16. **ASSIGNMENT.** WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE WILL NOT SELL, ASSIGN, TRANSFER (VIA MERGER, DIVISION, OR OTHERWISE), SUBLET, PLEDGE, OR OTHERWISE ENCUMBER OR PERMIT A LIEN ARISING THROUGH LESSEE TO EXIST ON OR AGAINST ANY INTEREST IN THIS LEASE OR THE EQUIPMENT. Lessor may assign its interest in this lease and sell or grant a security interest in all or any part of the Equipment without notice to or the consent of Lessee. If Lessee is given notice of such assignment, it shall acknowledge receipt of that notice in writing. Each assignee or mortgagee from Lessor shall have all of the rights, but none of the obligations, of Lessor under this lease. Lessee shall not assert against any assignee and/or mortgagee any defense, counterclaim or offset that Lessee may have against Lessor. Lessee's obligation to pay rent to the assignee shall be absolute and unconditional and shall not be subject to any defense or offset.

17. **NON-CANCELABLE AND UNCONDITIONAL OBLIGATION.** This lease cannot be canceled or terminated except as expressly provided herein. This lease is a net lease and Lessee agrees that its obligation to pay rent and any other amounts payable hereunder is absolute and unconditional and shall not be subject to any abatement, reduction, setoff or defense of any kind. If any Schedule is deemed at any time to be a lease intended as security: (i) Lessee grants Lessor a security interest in the Equipment to secure its obligations under this lease and all other indebtedness at any time owing by Lessee to Lessor; (ii) Lessee agrees that upon the occurrence of an Event of Default, in addition to all of the other rights and remedies available to Lessor hereunder, Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code; and (iii) such Schedule shall be construed in a manner so that interest, the applicable interest rate or other charge shall not exceed, in any event, the maximum amount of time price differential, rate, interest or amount allowed by applicable law, and any excess payment will be applied to the payments due under such Schedule as a prepayment of principal, and any remaining excess will be refunded to Lessee, and (iv) if Lessee is an individual and the principal amount of such Schedule is \$100,000 or more, such Schedule is made pursuant to Minn. Stat. Sec. 334.01; this lease is made under Minn. Stat. Sec. 334.022 if Lessee is an "organization" as defined therein.

18. **INDEMNIFICATION FOR LOSS OF TAX BENEFITS.** Lessor's loss of, or loss of the right to claim or receipt of, all or any part of the federal or state income tax benefits Lessor anticipated as a result of entering into this lease and owning the Equipment is referred to herein as a "Loss." If for any reason this lease is not a true lease for federal or state income tax purposes, or if for any reason (even though this lease may be a true lease) Lessor is not entitled to depreciate the Equipment for federal or state income tax purposes in the manner that Lessor anticipated when entering into this lease, and as a result Lessor suffers a Loss, then Lessee agrees to pay Lessor, as additional Base Rent under this lease, a lump sum amount which, after the payment of all federal, state, and local income taxes on the receipt of such amount, and using the same assumptions as to tax benefits and other matters Lessor used in originally evaluating and pricing this lease, will in the reasonable opinion of Lessor maintain Lessor's net after-tax rate of return with respect to this lease at the same level it would have been if such Loss had not occurred. Lessor will notify Lessee of any claim that may give rise to indemnity hereunder. Lessor shall make a reasonable effort to contest any such claim but shall have no obligation to contest such claim beyond the administrative level of the Internal Revenue Service or other taxing authority. In any event, Lessor shall control all aspects of any settlement and contest. Lessee agrees to pay the legal fees and other out-of-pocket expenses incurred by Lessor in defending any such claim even if Lessor's defense is successful. Notwithstanding the foregoing, Lessee shall have no obligation to indemnify Lessor for any Loss caused solely by (a) a casualty in the Equipment if Lessee pays the amount Lessee is required to pay as a result of such casualty, (b) Lessor's sale of the Equipment other than on account of an Event of Default hereunder, (c) failure of Lessor to have sufficient income to utilize its anticipated tax benefits or to timely claim such tax benefits, and (d) a change in tax law (including tax rates) effective after the Lease begins. For purposes of this

paragraph, the term "Lessor" shall include any member of an affiliated group of which Lessor is (or may become) a member if consolidated tax returns are filed for such affiliated group for federal income tax purposes. Lessee's indemnity obligations under this paragraph shall survive cancellation and termination of the Lease.

19. **SURVIVAL OF INDEMNITIES, REPRESENTATIONS AND WARRANTIES; CROSS DEFAULT.** All representations, warranties and indemnities of Lessee made or agreed to in this lease and any certificates delivered in connection herewith shall survive expiration, cancellation or termination of this lease. Lessee hereby agrees that any default by Lessee in the payment of rent or performance of any other term or condition of any lease or loan between Lessee and Lessor, or under any Schedule, whether previously or hereafter entered into, shall at the option of Lessor constitute an Event of Default in all leases, loans or Schedules, including this lease.

20. **GOVERNING LAW AND CONSTRUCTION. THIS LEASE, AND ALL MATTERS ARISING FROM THIS LEASE, INCLUDING ALL INTEREST AND FINANCE CHARGES HEREUNDER, SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, FEDERAL LAW AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, BY THE LAWS OF THE STATE OF MINNESOTA WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS. LESSEE HEREBY CONSENTS TO JURISDICTION AND VENUE OF THE FEDERAL OR STATE COURTS SITTING IN THE STATE OF MINNESOTA FOR PURPOSES OF RESOLVING ALL DISPUTES OF ANY NATURE WHATSOEVER REGARDING THE LEASE, OR ANY TRANSACTION CONTEMPLATED HEREBY, AND LESSEE HEREBY WAIVES OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF JURISDICTION OR VENUE IN THE FEDERAL OR STATE COURTS OF MINNESOTA. LESSOR AND LESSEE AGREE THAT A SUMMONS AND COMPLAINT COMMENCING AN ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE PROPERLY SERVED AND SHALL CONFIRM PERSONAL JURISDICTION IF SERVED PERSONALLY, BY CERTIFIED MAIL TO IT AT ITS ADDRESS DESIGNATED PURSUANT TO THE LEASE, OR AS OTHERWISE PROVIDED UNDER THE RESPECTIVE RULES OF THE STATE OR FEDERAL COURTS OF MINNESOTA. ANY PROVISION OF THIS LEASE WHICH MAY BE PROHIBITED OR UNENFORCEABLE IN ANY JURISDICTION SHALL NOT, AS TO SUCH JURISDICTION, INVALIDATE THE REMAINING PROVISIONS HEREOF AND SHALL NOT INVALIDATE OR RENDER UNENFORCEABLE SUCH PROVISION IN ANY OTHER JURISDICTION. LESSEE AGREES THAT, AT LESSOR'S SOLE ELECTION AND DETERMINATION, LESSOR MAY SELECT AN ALTERNATIVE FORUM, INCLUDING ARBITRATION OR MEDIATION, TO ADJUDICATE ANY DISPUTE ARISING OUT OF THIS LEASE. THE PARTIES HERETO, AFTER CONSULTING (OR HAVING HAD AN OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS LEASE, INCLUDING ANY LITIGATION REGARDING THE ENFORCEMENT OF THIS LEASE OR ANY RELATED AGREEMENTS.**

21. **LESSEE REPRESENTATIONS AND WARRANTIES.** Lessee represents and warrants to Lessor with regard to this lease that: (a) The execution, delivery and performance of this lease has been duly authorized by all necessary action on the part of Lessee and this lease constitutes a valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms; (b) The individual executing this lease on behalf of Lessee is duly authorized; (c) Neither the execution or delivery by Lessee of this lease, nor the performance thereof by Lessee, conflicts with, results in a breach of or constitutes a default or violation of Lessee's applicable organizational documents, including, as applicable, its Certificate of Incorporation, By-Laws, articles of organization, operating agreement or partnership agreement, applicable law, court order or any agreement or other instrument to which Lessee is a party or by which it is bound; (d) Lessee is duly organized and in good standing in its state of organization, does not do business under a trade or assumed name, is duly qualified to do business in each jurisdiction where the Equipment is located and where such qualification is required; (e) Lessee's exact legal name is as shown above, and: (i) if Lessee is an individual, such legal name is exactly as stated on Lessee's valid and unexpired state driver's license, or alternative state identification, issued by Lessee's primary state of residence ("Lessee State ID"); or (ii) if Lessee is a legal entity, such legal name is as stated on Lessee's applicable organizational documents; and Lessee will not change its legal name, will not change its chief executive office or state of organization (if a legal entity) or its principal residence (if an individual), and will not permit its Lessee State ID to expire, become invalid, or fail to be properly renewed, (if an individual) without, in each case, giving Lessor at least 30 days' prior written notice of any such event, and, at any time during this Lease, Lessee will, upon request of Lessor, provide copies of its Lessee State ID (if an individual) or applicable organizational documents (if a legal entity); (f) Lessee, if an individual, is a citizen or lawful permanent resident of the United States; (g) No approval, consent or authorization is required from any governmental authority with respect to the execution, delivery or performance of this lease, or if any such approval, consent or authorization is required, it has been obtained; (h) Each item of Equipment is leased and will be used solely for business purposes, and the Equipment will not be used for personal, family or household purposes; and (i) Lessee shall not allow any Blocked Person(s) to have an ownership interest in or control of Lessee. "Blocked Person" means any person or entity (A) that is now or at any time on a list of Specially Designated Nationals issued by the Office of Foreign Assets Control ("OFAC") of the United States Department of the Treasury or any sectoral sanctions identification list; (B) whose property or interests in property are blocked by OFAC or who is subject to sanctions imposed by law, including any executive order of any branch or department of the United States government, or (C) otherwise designated by the United States or any regulator having jurisdiction or regulatory oversight over Lessor, to be a person with whom Lessor is not permitted to extend credit to or with regard to whom, a debtor-creditor relationship may result in penalties against Lessor or limitations on Lessor's ability to enforce a transaction.

22. **MISCELLANEOUS.** This lease constitutes the entire agreement between Lessee and Lessor with respect to the subject matter hereof, including any commitments and representations made by Lessor, and there is no understanding or agreement, oral or written, which is not set forth herein. To the extent that Lessor previously made any commitment or representation, oral or written, all such commitments and representations are superseded and replaced by the terms of this lease. Except as expressly set forth herein, this lease may not be amended or modified except by a writing manually signed by Lessor and Lessee. This lease shall be binding upon and inure to the benefit of the parties hereto, their permitted successors and assigns. Any written notice hereunder to Lessee or Lessor shall be deemed to have been given when delivered personally, deposited with a nationally recognized overnight courier (with all fees pre-paid), delivered via facsimile or e-mail (with confirmation of transmission), or deposited in the United States mails, certified or registered mail, addressed to recipient at its address set forth above or at such other address as may be substituted hereof by notice given pursuant to the terms hereof. Lessee hereby agrees that Lessor, including its vendors, service providers, partners, affiliates, successors and assigns, may contact Lessee at any telephone number provided to Lessor, by placing voice telephone calls (including the use of automatic telephone dialing systems or prerecorded voice messaging) or, in the case of wireless telephones or other wireless devices, by sending email or automated (SMS) text messages. In the event there is more than one Lessee named herein or in any Schedule, the obligations of each shall be joint and several. Each party's electronic signature on this Master Lease, each Schedule and any related documents shall be unconditionally valid and legally enforceable, and each party agrees not to contest the validity or enforceability of any electronic signature (or the authority of the electronic signature to sign). This Master Lease, each Schedule and any related documents may, in Lessor's sole discretion, be delivered and/or reproduced by facsimile, optical scanning or other electronic means ("e-copy") and such e-copy or a printed version thereof shall be enforceable as an original and admissible as such in any court or other proceeding, provided that there shall be only one original of the Master Lease and each Schedule and it shall bear the original ink or electronic signature of Lessor and be marked "Original." To the extent that any Schedule constitutes chattel paper (as that term is defined by the Uniform Commercial Code), a security or ownership interest intended to be created through the transfer and possession of the Schedule can be done only by the transfer of the "Original" bearing the original ink or electronic signature of Lessor; provided that, if the "Paper Out" process shall have occurred, or if there shall simultaneously exist both the "Paper Out" printed version and an electronic version of this Master Lease or any Schedule, then the "Paper Out" printed version of such document bearing the legend "Original" applied by Lessor shall constitute the sole chattel paper original and authoritative version. If Lessor permits Lessee to deliver this lease or any related document to Lessor via facsimile or other electronic means, Lessee shall deliver to Lessor, promptly on request, such document bearing Lessee's original "wet ink" signature; provided that neither delivery nor failure to deliver the document bearing Lessee's original "wet ink" signature shall limit or modify the representations and agreements set forth above. Without limiting Lessor's right to make legally permitted disclosures, Lessee agrees that Lessor may disclose to equipment dealers, suppliers, and manufacturers, applicable franchisors, and prospective assignees of Lessor, financial, credit, account and other information about Lessee. Lessee hereby authorizes any person to release to Lessor credit, financial and account information relating to Lessee. Lessee authorizes, and represents that all Lessee's principals have authorized, Lessor to obtain such credit bureau reports and make such other credit inquiries with respect to Lessee and such principals as Lessor deems appropriate throughout the term of this lease; on written request, Lessor will identify any reporting agency used for such reports. Lessee shall execute and deliver to Lessor such other documents and provide such information, including information identifying the owners of Lessee and its affiliates and their respective ownership interests, as Lessor may reasonably deem necessary to comply with laws or regulations applicable to Lessor or Lessee, including laws and regulations requiring Lessor to obtain Lessee's certification of its beneficial owners(s) prior to making payment(s) to Lessee during or after the term of this lease. This lease shall not become effective or binding until executed by Lessor.

Under federal law, Lessor must obtain, verify and record identifying information for each person opening an account. Lessor will ask for Lessee's name, address, date of birth and other identifying information. Lessor may also ask for Lessee's driver's license or other identifying documents.

Lessor: The Huntington National Bank
 Lessee: Taylor County Rural Electric Cooperative Corporation

By: _____ Title: _____

By:  Barry L. Myers - Manager



**Equipment Schedule
(TRAC)**

The "Lease": Equipment Schedule Number 061-0863164-100 Dated April 1, 2022 to Master Lease Number 0863164L Dated April 1, 2022
"Lessee"
Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718
"Lessor"
The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441

This Equipment Schedule (this "Schedule") is entered into pursuant to and incorporates the terms of the Master Lease identified above (except as expressly modified by this Schedule) between Lessor and Lessee (the "Master Lease" and, together with this Schedule, this "Lease"). Upon the execution and delivery by Lessor and Lessee of this Schedule, Lessee's execution and delivery to Lessor of a Delivery and Acceptance Certificate for the Equipment described below, and satisfaction of all Lessor's requirements on or before the date that Lessor's credit approval shall expire with respect to this Lease, and so long as there has been no material adverse change in Lessee's condition or business from that considered by Lessor in connection with the credit approval for this Lease, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment upon the terms and conditions of this Lease. All capitalized terms not otherwise defined in this Schedule shall have the meanings assigned in the Master Lease.

SUMMARY OF TERM AND RENTAL PAYMENTS:

Commencement Date	Rent Payment Period	Initial Term	Each Rent Payment	Interim Rent Daily Factor	Advance Rent Payment for Installment(s)	Security Deposit	Total Cost
	Monthly	60 Months	\$3,593.60 plus applicable taxes except financed sales tax included in Total Cost	N/A	N/A	N/A	\$275,000.00

EQUIPMENT, PERSONAL PROPERTY, SERVICES AND/OR SOFTWARE:

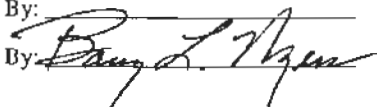
Description (including features)	Garaging Location
One (1) 2021 Terex C4047 Digger Derrick s/n: 2210372133 mounted on a 2021 Freightliner M2-106 Chassis VIN #: 1FVDCYFE3MHML6685 together with all attachments and accessories thereto	625 West Main Street, Campbellsville, KY 42718

Rent Payments shall be payable in arrears commencing on the date that is one Rent Payment Period after the Commencement Date and on the same day of each subsequent Rent Payment Period.

The following additional provisions are applicable to the Equipment covered by this Lease only:

- 1. TERMINAL RENTAL ADJUSTMENT CLAUSE (TRAC).** In accordance with Section 7701(h) of the Internal Revenue Code of 1986, under penalty of perjury, Lessee hereby certifies that it intends that more than 50% of the use of the Equipment is to be in a trade or business of Lessee. Lessor and Lessee hereby agree that at the expiration of the Initial Term (and not early on account of default or otherwise) Lessor (or an agent of Lessor) will sell the Equipment. The sale proceeds (the "Proceeds") will be distributed as follows: (i) First, to reimburse Lessor or its agent for the cost of putting the Equipment in a condition to be sold, sales commissions, legal fees, expenses of repossession and all other sale expenses; (ii) Second, the balance to Lessor up to an amount equal to 35.00% of the Total Cost set forth above; and (iii) Third, the balance, if any, to Lessee as an adjustment to rent previously paid by Lessee to Lessor under this Lease. If the Proceeds are less than the sum of items (i) and (ii) above, then Lessee shall pay to Lessor the deficiency as additional rent under this Lease. Any amount paid to or by Lessee pursuant to this provision shall be the "Terminal Rental Adjustment." Lessee acknowledges that it has been advised that it will not be treated as the owner of the Equipment for federal income tax purposes.
- 2.** At Lessee's expense, in addition to all other requirements under the Master Lease, Lessee will furnish all tires, gasoline, oil, grease and other items required in the operation of the Equipment, and Lessee shall prepare and file all tax returns required under the Master Lease, including but not limited to highway use taxes.
- 3.** The Equipment shall be operated only by appropriately licensed drivers to be selected, employed, controlled and paid by Lessee and who shall be conclusively presumed to be the agents of Lessee. The Equipment shall be operated in a safe and reasonable manner so as to prevent loss or damage to the Equipment or other property and injury to third parties. Lessee will, at its sole expense: (a) prior to any operation of the Equipment, obtain all titles, registrations, registration plates, permits and licenses, including all renewals thereof, which are required for the lawful ownership, use and operation of the Equipment; (b) cause the Equipment to be titled and registered in the name of Lessor as owner, or in such other manner as Lessor shall direct; (c) furnish all original certificates of title, lien registration notices and related documentation to Lessor; and (d) retain all certificates of registration (and where required by applicable law, a copy of the Lease) in the Equipment. Lessor may furnish Lessee with appropriate powers of attorney for the sole and limited purpose of effecting said titling, registration and licensing. Lessee will pay when due, and will indemnify and hold Lessor and its assigns harmless from and against: (i) any license or other fees, liabilities, losses, damages, penalties, claims, actions, suits, costs and expenses, including legal expenses, of every kind and nature whatsoever, imposed on, incurred by, or asserted against Lessor or its agents, successors and assigns, in any way relating to or arising out of applications for the licensing, titling or registration of the Equipment, or any odometer certification with respect to the Equipment; and (ii) all towing charges, parking tolls, fines, parking and speeding tickets and other civil and criminal motor vehicle violations (and all fines, penalties and interest applicable thereto) with respect to the Equipment.
- 4.** Notwithstanding anything to the contrary in the Lease, and in addition to the terms and conditions in the Lease and in any Lease Addenda, Lessee shall, at its sole cost and expense, return all, but not less than all, of the Equipment in accordance with the terms of the Lease, such Addenda and also the following: (i) with engine, transmission and drive axles within manufacturer's tolerances, including manifold and crankcase pressures, as measured by dynamometer test upon return at Lessee's expense; (ii) free of all rust and corrosion, clean and in good cosmetic condition, with all glass intact and unbroken, and all insignias and advertising removed and any damage from such removal repaired; (iii) with all systems capable of performing their intended design functions within manufacturer's specifications; and (iv) with all tires with matched tread design and size, in safe operating condition, with at least 50% of original tread remaining and no sidewall or casing damage or splits.
- 5.** For purposes of Sections 11 and 15 of the Master Lease, Lessor's "Anticipated Residual Value" of the Equipment subject to this Lease (or each item of Equipment under this Lease) at the Commencement Date shall be deemed to equal 35.00% of the Total Cost set forth above (or the portion of such Total Cost related to such item of Equipment).
- 6.** Clause (l) of Section 14 of the Master Lease is deleted with respect to the Equipment subject to this Lease.

Lessor: The Huntington National Bank
 Lessee: Taylor County Rural Electric Cooperative Corporation

By: _____ Title: _____
 By:  Barry L. Myers - Manager



Pay Proceeds Letter

The "Lease": Equipment Schedule Number 001-0863164-100 Dated April 1, 2022 to Master Lease Number 0863164L Dated April 1, 2022
"Lessee"
Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718
"Lessor"
The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441

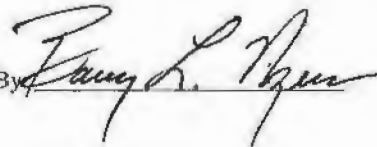
The above-referenced Lessee and Lessor have entered into the Lease for the lease of certain equipment, personal property, services and/or software, as more particularly described in the Lease (the "Equipment"), subject to the satisfaction of certain conditions. Lessee and Lessor may have also entered into an Interim Funding Addendum (the "Interim Funding Addendum") and one or more other Addenda to the Lease, which Addenda are part of the Lease.

Lessee has reviewed and approved the invoice(s) referenced in the table below. Pursuant to the Lease, Lessee hereby irrevocably authorizes and requests Lessor to make payment of the invoice(s) to the vendor(s), licensor(s) or designee(s) of licensor(s) of the Equipment upon Lessor's receipt of (a) Lessee's signed Delivery and Acceptance Certificate with respect to the Equipment covered by the applicable invoice(s), or (b) an Interim Funding Addendum, signed by Lessee, requesting Lessor to make advance payment in respect of the Equipment covered by the applicable invoice(s) prior to delivery and acceptance thereof. In either case, subject to Lessor's acceptance of the Lease, Lessee agrees that all terms and conditions of the Lease, including without limitation any Interim Funding Addendum and any other Addenda to the Lease, are in full force and effect and Lessee shall make all payments when and as required thereby.

Payee	Invoice Number	Amount
Terex Utilities Inc		\$275,000.00
Total		\$275,000.00

Date: _____

Lessee: Taylor County Rural Electric Cooperative Corporation

By:  Barry L. Myers - Manager



Delivery and Acceptance Certificate

The "Lease": Equipment Schedule Number 001-0863164-100 Dated April 1, 2022 to Master Lease Number 0863164L Dated April 1, 2022
"Lessee"
Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718
"Lessor"
The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441

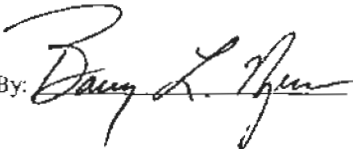
This Certificate relates to the Equipment (the "Equipment") that is described in the Lease.

Pursuant to the Lease, Lessee acknowledges that Lessor has acquired the Equipment in connection with the Lease and Lessee has either received a copy of the purchase agreement with the vendor of the Equipment on or before signing the Lease or has approved such purchase. Lessee hereby represents, warrants and certifies that (i) all of the Equipment has been delivered to Lessee at the Equipment Location set forth in the Lease and has been installed, tested and inspected by Lessee or duly authorized representatives of Lessee, (ii) the Equipment Description set forth in the Lease is complete and correct, (iii) the Equipment is exactly what Lessee ordered, is in good working order, is satisfactory in all respects and has been accepted by Lessee under the Lease as of the Acceptance Date set forth below, and (iv) there has been no adverse change in the business or financial condition of Lessee or any guarantor of the Lease since the day the most recent financial statement of Lessee or any guarantor was submitted to Lessor. If Lessee has made a deposit to the Equipment vendor(s), by signing this Certificate, Lessee hereby transfers all of Lessee's right, title and interest in and to the Equipment to Lessor, except to the extent set forth in the Lease, whether or not the Lessee has been reimbursed for the deposit(s).

IMPORTANT: LESSEE SHOULD SIGN THIS CERTIFICATE ONLY AFTER LESSEE HAS RECEIVED AND IS COMPLETELY SATISFIED WITH THE EQUIPMENT. BY SIGNING THIS CERTIFICATE, LESSEE (1) IS IRREVOCABLY ACCEPTING THE EQUIPMENT, (2) BECOMES ABSOLUTELY AND IRREVOCABLY OBLIGATED TO LESSOR UNDER THE LEASE, AND (3) MAY NOT THEREAFTER REJECT THE EQUIPMENT, CANCEL OR TERMINATE THE LEASE OR DENY ANY STATEMENT MADE IN THIS CERTIFICATE, FOR ANY REASON WHATSOEVER.

Acceptance Date: 4/1/2022

Lessee: Taylor County Rural Electric Cooperative Corporation

By: 

Barry L. Myers - Manager



Lessee Business Use Certification

The "Lease": Equipment Schedule Number 001-0863164-100 Dated April 1, 2022 to Master Lease Number 0863164L Dated April 1, 2022
"Lessee"
Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718
"Lessor"
The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441

In accordance with Section 7701(h) of the Internal Revenue Code of 1986, as amended, under penalty of perjury:

1. Lessee hereby certifies that it intends that more than 50% of the use of the Equipment leased pursuant to the above-referenced Lease is to be in a trade or business of Lessee.
2. Lessee acknowledges that it has been advised that it will not be treated as the owner of the Equipment for federal income tax purposes.

Dated as of April 1, 2022

Lessee: Taylor County Rural Electric Cooperative Corporation

By:  Barry L. Myers - Manager



**Additional Information
Regarding Your Account and the Equipment**

The "Contract": Lease Number 001-0863164-100 dated April 1, 2022
"Lessee"
Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, Campbellsville, KY 42718
"Lessor"
The Huntington National Bank, 1405 Xenium Lane North (PCC180), Plymouth, MN 55441

Equipment Description and Location:

Description (including features)	Location
One (1) 2021 Terex C4047 Digger Derrick s/n: 2210372133 mounted on a 2021 Freightliner M2-106 Chassis VIN #: 1FYDCYFE3MHML6685 together with all attachments and accessories thereto	625 West Main Street, Campbellsville, KY 42718

PLEASE COMPLETE ALL SECTIONS BELOW

Billing Address: 625 West Main Street PO Box 100, Campbellsville, KY, 42718

The billing address stated above is correct.

Change the billing address to the following address: PO Box 100, Campbellsville KY 42719-0100

Lessee Fax #: 270-849-3452

Lessee E-mail: pwalters@tcrecc.com

Equipment Location and Vehicle Titling Location:

The Equipment will be located at the Equipment Location(s) stated above or on Exhibit A; provided that if any Equipment is motor vehicles, such vehicles will be titled in the titling office for the Equipment Location stated above or on Exhibit A.

The Equipment will be located at: _____
 (If multiple locations, attach a list indicating by item of Equipment the City, State and County where such item will be located)
 and the vehicles will be titled in: _____ (State) _____ (City) _____ (County)
 (If multiple vehicles titled in multiple states, attach a list indicating by VIN the State, City and County each vehicle will be titled)

Tax Status (LEASE TRANSACTIONS ONLY):

1. Sales/Use Tax: (check one)

Subject to Sales and Use Tax. (Tax will be based on the state where the vehicle is titled and where other Equipment is located).

Exempt from sales and use tax, for the following reason: _____

Exemption Certificate Attached

Valid Exemption Certificate already on file with Lessor.

If you are exempt from sales tax, you MUST provide exemption certificate or you will automatically be charged sales tax

2. Heavy Vehicle Use Tax: Some vehicles are liable for Heavy Vehicle Use Tax, filed on Federal Form 2290. Lessor does not file this return. If you determine the vehicle(s) is liable for this tax, you should include it on your own Form 2290. Failure to report a taxable vehicle may prevent you from obtaining licenses or tabs.

Personal Property Tax: If the vehicle(s) are titled in a state or locality that requires reporting of the vehicle(s) on a personal property tax return, Lessor will report the vehicle(s) on its own return and bill you for taxes due.

Acknowledged by:

Lessee: Taylor County Rural Electric Cooperative Corporation

By:  Barry L. Myers - Manager

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

PHDR REQUEST FOR INFORMATION DATED 10/30/23

REQUEST 8

RESPONSIBLE PARTY: Patsy Walters

Request 8. Refer to Schedule 1(a), Account 931 and Account 589.

- a. Provide an explanation for two accounts designated “rent” and a detailed description of what is included in each account.
- b. Explain why the spreadsheet notes a 0 percent amount of change for Account 931 for year 2021 to 2022.

Response 8a. Account No. 931 is an expense account used to record the monthly rental cost of a Ford Bucket Truck in 2022 due to maintenance being performed on a coop bucket truck. Account 589 is an expense account used to record annual tower rental-AMR and a one-time yard rental cost to store poles in 2022. Please see attached detailed description of what is included in each account.

Response 8b. If there is no initial cost, there can be no calculation. Percent change is undefined when the starting quantity is 0. This was the same formula used in South KY RECC's

Case #2021-00407 Responses to Staff's First Data Request and Jackson Purchase Energy's Case
#2021-00358 Responses to Staff's First Data Request.

TAYLOR COUNTY RECC
PRG. ACCTANAL (ANLA)

ACCOUNT ANALYSIS
FOR ACCT: 931.00 RENT
DATE RANGE FROM 01/01/18 TO 12/31/22

PAGE 1
RUN DATE 11/01/23 03:48 PM

SO	TR	RACCT	ITEM	ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
AP	1	232.10	TREX	14	600			2023 04/04/22	VN 3135	.00	4,942.11	.00	TRUCK RENTAL- FORD BUCKET TRK
AP	1	232.10	TREX	14	600			2031 04/04/22	VN 3135	.00	.00	4,942.11-	TRUCK RENTAL- FORD BUCKET TRK
PY	20	131.15	LARG	00	600			422 04/14/22		2.00	38.58	.00	REGULAR LABOR
PY	20	131.15	LARG	00	600			442 04/21/22		2.50	64.82	.00	REGULAR LABOR
AP	1	232.10	TREX	14	600			2023 04/22/22	VN 3135	.00	4,942.11	.00	TRUCK RENTAL- FORD BUCKET TRK
PY	20	131.15	LARG	00	600			452 04/28/22		6.50	157.85	.00	REGULAR LABOR
PY	20	131.15	LARG	00	600			462 04/29/22		2.50	101.14	.00	REGULAR LABOR
PY	10	242.20	ACLB	01	600			512 04/30/22		1.00	19.29	.00	ACCRUED LABOR - REGULAR
JE	44	165.10	INSU	01	600			1 04/30/22		.00	11.63	.00	AMORTIZATION PREPAID INSURANCE
JE	44	165.20	EMBF	06	600			1 04/30/22		.00	22.69	.00	EMPLOYER HSA CONTRIBUTION
JE	44	408.30	TAXP	03	600			1 04/30/22		.00	29.20	.00	TAXES - FICA- EMPLOYER PORTION
JE	44	408.40	TAXP	07	600			1 04/30/22		.00	.00	1.54-	TAXES - STATE UNEMPLOYMENT
JE	44	926.00	EMBF	01	600			1 04/30/22		.00	36.95	.00	EMPLOYER 401K CONTRIBUTION
JE	44	926.00	EMBF	02	600			1 04/30/22		.00	98.31	.00	INSURANCE-(BC/BS)
JE	44	926.00	EMBF	03	600			1 04/30/22		.00	2.83	.00	INS-(NRECA-LONG TERM DISABILITY)
JE	44	926.00	EMEX	02	600			1 04/30/22		.00	.88	.00	TRAINING EXPENSE
JE	44	926.00	EMEX	08	600			1 04/30/22		.00	56.98	.00	FASB 106-EMPLOYEE
JE	44	926.00	LARG	10	600			1 04/30/22		.00	.09	.00	TRANSP EARNINGS
AP	1	232.10	TREX	07	600			2023 05/04/22	VN 7037	.00	289.00	.00	REPAIR WINDSHEILD IN RENTAL TRK
PY	20	131.15	LARG	00	600			522 05/12/22		3.00	66.32	.00	REGULAR LABOR
PY	20	131.15	LARG	00	600			542 05/19/22		4.00	110.96	.00	REGULAR LABOR
AP	1	232.10	TREX	14	600			2023 05/20/22	VN 3135	.00	3,786.71	.00	TRUCK RENTAL- FORD BUCKET TRK
PY	20	131.15	LARG	00	600			552 05/26/22		2.00	38.58	.00	REGULAR LABOR
CS	80	131.11	TREX	07	2000			2023 05/26/22		.00	.00	289.00-	FEDERA REPL WIN-SHELD RENTAL TRK
PY	10	242.20	ACLB	01	600			612 05/28/22		2.00	55.48	.00	ACCRUED LABOR - REGULAR
JE	44	165.10	INSU	01	600			1 05/31/22		.00	8.19	.00	AMORTIZATION PREPAID INSURANCE
JE	44	165.20	EMBF	06	600			1 05/31/22		.00	15.75	.00	EMPLOYER HSA CONTRIBUTION
JE	44	408.30	TAXP	03	600			1 05/31/22		.00	20.76	.00	TAXES - FICA- EMPLOYER PORTION
JE	44	926.00	EMBF	01	600			1 05/31/22		.00	33.30	.00	EMPLOYER 401K CONTRIBUTION
JE	44	926.00	EMBF	02	600			1 05/31/22		.00	66.72	.00	INSURANCE-(BC/BS)
JE	44	926.00	EMBF	03	600			1 05/31/22		.00	1.96	.00	INS-(NRECA-LONG TERM DISABILITY)
JE	44	926.00	EMEX	02	600			1 05/31/22		.00	.61	.00	TRAINING EXPENSE
JE	44	926.00	EMEX	08	600			1 05/31/22		.00	39.56	.00	FASB 106-EMPLOYEE
JE	44	926.00	LARG	10	600			1 05/31/22		.00	.05	.00	TRANSP EARNINGS
AP	1	232.10	TREX	12	2000			2023 06/10/22	VN 4000	.00	250.00	.00	TRANSPORTATION EXP - OTHER
PY	20	131.15	LARG	00	1000			642 06/16/22		4.00	111.60	.00	REGULAR LABOR
AP	1	232.10	TREX	14	600			2023 06/17/22	VN 3135	.00	3,786.71	.00	TRUCK RENTAL- FORD BUCKET TRK
PY	20	131.15	LARG	00	600			652 06/23/22		1.00	19.29	.00	REGULAR LABOR
PY	20	131.15	LARG	00	1000			652 06/23/22		1.00	27.90	.00	REGULAR LABOR
JE	44	926.00	LARG	10	1000			1 06/30/22		.00	2.51	.00	TRANSP EARNINGS
PY	20	131.15	LARG	00	600			662 06/30/22		3.00	110.32	.00	REGULAR LABOR
PY	20	131.15	LARG	00	600			672 06/30/22		9.00	233.55	.00	REGULAR LABOR
PY	20	131.15	LARG	00	1000			672 06/30/22		1.00	27.90	.00	REGULAR LABOR
JE	44	165.10	INSU	01	600			1 06/30/22		.00	10.70	.00	AMORTIZATION PREPAID INSURANCE
JE	44	165.10	INSU	01	1000			1 06/30/22		.00	4.93	.00	AMORTIZATION PREPAID INSURANCE
JE	44	165.20	EMBF	06	600			1 06/30/22		.00	20.39	.00	EMPLOYER HSA CONTRIBUTION
JE	44	165.20	EMBF	06	1000			1 06/30/22		.00	9.40	.00	EMPLOYER HSA CONTRIBUTION
JE	44	408.20	TAXP	06	600			1 06/30/22		.00	.05	.00	TAXES - FEDERAL UNEMPLOYMENT
JE	44	408.20	TAXP	06	1000			1 06/30/22		.00	.02	.00	TAXES - FEDERAL UNEMPLOYMENT
JE	44	408.30	TAXP	03	600			1 06/30/22		.00	28.13	.00	TAXES - FICA- EMPLOYER PORTION
JE	44	408.30	TAXP	03	1000			1 06/30/22		.00	12.97	.00	TAXES - FICA- EMPLOYER PORTION

SO	TR	RACCT	ITEM	ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
JE	44	408.40	TAXP	07	600		1	06/30/22		.00	.04	.00	TAXES - STATE UNEMPLOYMENT
JE	44	408.40	TAXP	07	1000		1	06/30/22		.00	.02	.00	TAXES - STATE UNEMPLOYMENT
JE	44	926.00	EMBF	01	600		1	06/30/22		.00	27.92	.00	EMPLOYER 401K CONTRIBUTION
JE	44	926.00	EMBF	01	1000		1	06/30/22		.00	12.87	.00	EMPLOYER 401K CONTRIBUTION
JE	44	926.00	EMBF	02	600		1	06/30/22		.00	84.61	.00	INSURANCE-(BC/BS)
JE	44	926.00	EMBF	02	1000		1	06/30/22		.00	39.00	.00	INSURANCE-(BC/BS)
JE	44	926.00	EMBF	03	600		1	06/30/22		.00	2.44	.00	INS-(NRECA-LONG TERM DISABILITY)
JE	44	926.00	EMBF	03	1000		1	06/30/22		.00	1.13	.00	INS-(NRECA-LONG TERM DISABILITY)
JE	44	926.00	EMEX	02	600		1	06/30/22		.00	.79	.00	TRAINING EXPENSE
JE	44	926.00	EMEX	02	1000		1	06/30/22		.00	.36	.00	TRAINING EXPENSE
JE	44	926.00	EMEX	08	600		1	06/30/22		.00	51.20	.00	FASB 106-EMPLOYEE
JE	44	926.00	EMEX	08	1000		1	06/30/22		.00	23.60	.00	FASB 106-EMPLOYEE
JE	44	926.00	LARG	10	600		1	06/30/22		.00	5.44	.00	TRANSP EARNINGS
AP	1	232.10	TREX	14	600		2023	07/01/22	VN 3135	.00	871.32	.00	TRUCK RENT

NUMBER OF RECORDS FOUND - 65

TOTAL QTY 44.50

TOTAL DEBIT 20,836.52
 TOTAL CREDIT 5,232.65-

 NET BALANCE 15,603.87

SO	TR	RACCT	ITEM	ID	DEPT	WH	BH	DATE	CK/JOB/REC/TSK PJ/VHR/VND/VEH	QTY	DEBIT	CREDIT	DESCRIPTION
JE	40	454.00	RENT	01	2000		2013	01/30/18	V 1141401	.00	495.36	.00	SET UP WINDSTREAM JOINT USE 2018
JE	40	454.00	RENT	01	2000		2013	01/30/18	V 1141402	.00	1,582.40	.00	INV WINDSTREAM JOINT USE 2017
AP	1	232.10	RENT	13	2000		2013	05/31/18	VN 23045	.00	4,446.89	.00	RADIO TOWER RENTAL-WKYU-FM (AMR)
JE	49	0.00	RENT	01	2000		2031	08/03/18	V 1146701	.00	110.00	.00	SET UP DUO TELE RENT 06/30/18
JE	49	0.00	RENT	01	2000		2031	08/03/18	V 1146702	.00	27.52	.00	SET UP SO CNTRL RURAL TELE 08-18
AP	1	232.10	RENT	13	2000		2031	05/15/19	VN 23045	.00	4,669.23	.00	RADIO TOWER RENTAL-WKYU-FM (AMR)
JE	49	0.00	RENT	01	2000		2023	07/26/19	V 20190719	.00	110.00	.00	SET UP DUO TELE RENT 6/30/19
JE	49	0.00	RENT	01	2000		2023	07/26/19	V 20190720	.00	27.52	.00	SET UP SO CNTRL RURAL TELE 06-19
AP	1	232.10	RENT	13	2000		2023	05/28/20	VN 23045	.00	4,902.69	.00	RADIO TOWER RENTAL-WKYU-FM (AMR)
AP	1	232.10	RENT	03	2000		2023	05/27/21	VN 23045	.00	5,147.82	.00	POLE RENT SO CENTRAL RURAL
AP	1	232.10	RENT	03	2000		2023	05/19/22	VN 23045	.00	5,405.21	.00	POLE RENT SO CENTRAL RURAL
AP	1	232.10	RENT	17	2000		2023	06/17/22	VN 6013	.00	2,400.00	.00	POLE YARD RENT

NUMBER OF RECORDS FOUND -	12	TOTAL QTY	.00
		TOTAL DEBIT	29,324.64
		TOTAL CREDIT	.00
		NET BALANCE	29,324.64