

**Jackson Purchase Energy Corporation**  
**Case No. 2024-00085**  
**Attorney General's First Request for Information**

**Request 26:** Refer to the Grissom Testimony at 4. Mr. Grissom states that, “Jackson Purchase has seen additional significant increased costs in many areas of the business, particularly in material costs, labor costs, and right-of-way (“ROW”) maintenance expenses.”

- a. Explain whether Jackson Purchase Energy handles ROW internally or if it uses contractors.
- b. Provide Jackson Purchase Energy's ROW maintenance plan, including the trimming cycle.
- c. Explain whether Jackson Purchase Energy issues requests for proposal in order to secure the most economically favorable ROW contracts.
- d. Provide copies of all responses to the ROW requests for proposal for the last five years.
- e. Explain in detail whether Jackson Purchase Energy coordinates its ROW program with the Kentucky Transportation Cabinet/Kentucky Department of Highways ROW program, in order to mitigate expense for the Company's customers. If not, explain why not. Provide all related documentation regarding the same.
- f. Explain in detail whether Jackson Purchase Energy works with other regional electric utilities to develop regional bids for ROW management, which could create significant cost savings. If not, explain in detail why not.

- g. Explain in detail whether Jackson Purchase Energy has taken any significant steps to address ROW management expenses since its last 2021 rate case.
- h. The Company states that other significant adjustments to the test year include material costs and labor costs. Provide a detailed discussion of why there have been significant increases in each of the referenced categories.

**Response 26a:** Jackson Purchase utilizes outside contractors for right-of-way (ROW) maintenance. Currently, Jackson Purchase has a two-year contract with Townsend Tree Services to perform the ROW maintenance.

**Response 26b:** Please see the attached “Jackson Purchase’s Procedure 403, Right of Way Maintenance.”

**Response 26c:** Jackson Purchase issues a request for proposals near the end of the current contract. In 2023, Jackson Purchases issued a request for proposals and the contract for 2024/2025 with Townsend Tree Service was the most economical.

**Response 26d:** These documents are being provided under seal pursuant to confidential protection.

**Response 26e:** Jackson Purchase does not coordinate its ROW program with the Transportation Cabinet.

**Response 26f:** Jackson Purchase discussed the possibility of combining circuit mileage for bids with other electric cooperatives. This was also discussed with one ROW contractor. The response received from the contractor was that if multiple cooperatives combine the circuits, the contractor would not have the resources to complete a project of that size.

**Response 26g:** Jackson Purchase has established a five-year ROW cycle to maintain its approximately 1,800 miles of lines. Jackson Purchase has adjusted its clearing specifications according to the area and terrain. Given the yearly ROW budget, Jackson Purchase has planned its circuit cutting to cover as many miles as possible to maintain safety and reliability. Jackson Purchase is selective in the trees that it removes on its circuit, so more miles can be cut. However, Jackson Purchase must balance the current removal of trees with the understanding that the trees that are left will need to be removed in the future.

**Response 26h:** Just like all other industries, the rising cost of inflation since the COVID-19 pandemic has caused shortages in labor and material. The cost of supplies that Jackson Purchase uses in all areas of its business has risen. Jackson Purchase is providing an Excel file separately showing the increases in commonly-used items. Please see the response to Item 31 for a detailed explanation of the labor costs.

**UPDATED RESPONSE TO RESPONSE 26(d)**

Pursuant to the July 2, 2024 Order, Jackson Purchase is filing the winning bids for each of the years requested. The non-winning bids are the subject of an additional motion for confidential treatment are not being provided in the public record.

**ATTACHMENT 26(d)**

## **2024 Townsend Bid**



September 12, 2023

Mr. Ward Morgan  
Vice President of Operations and Technical Services  
Jackson Purchase Energy Corporation  
6252 US Highway 60W  
Paducah, KY 42001

Re: 2024/2025 Right-Of-Way Projects

Dear Mr. Morgan,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced projects. Please find our proposal enclosed. Townsend would like to note the following:


- **As we are providing TM pricing for 2024 only, we request the ability to renegotiate 2025 rates prior to December 31.**
- **Townsend has provided a fuel surcharge clause that would apply to the contract.**
- **Townsend had included Exceptions to the Hourly ROW Agreement.**

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long-term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness, and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, every day.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

  
Amy E. Townsend, CEO



**Fuel Surcharge Language below will be added to the contract:**

In the event that Fuel Prices Increase by more than 10% from the date the bid was submitted during the term of this contract, Townsend Tree Service Company reserves the right to invoice a fuel surcharge for the difference in increased fuel prices monthly until fuel decreases to the level they were at the date of submittal. The fuel surcharge will be calculated as follows:

"Current Price of Fuel (Unleaded and Diesel) actually purchased, minus (-) the price of fuel at submittal date, using the (info below) (x) the number of actual gallons purchased in each month."

**Unleaded**    [https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_a\\_epru\\_pte\\_dpgal\\_w.htm](https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epru_pte_dpgal_w.htm)

**Diesel**        [https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_a\\_EPD2DX10\\_pte\\_dpgal\\_w.htm](https://www.eia.gov/dnav/pet/pet_pri_gnd_a_EPD2DX10_pte_dpgal_w.htm)

**PADD Map-1C Midwest** [https://www.eia.gov/petroleum/gasdiesel/diesel\\_map.php](https://www.eia.gov/petroleum/gasdiesel/diesel_map.php)



**JACKSON PURCHASE ENERGY COOPERATIVE**  
**Hourly Right of Way Agreement**

**Contractor's Certification:** This is to certify that it is our intent to furnish equipment, material and in compliance with the Bid submitted by us except where expressly noted below. The Bid is expressly amended and modified by Contractor to include the following terms and conditions:

**Section 12. Hold Harmless: Addition of the following sentence at the end of the paragraph. (As Included in the ROW Clearing Contract)**

**"Provided, however, nothing herein shall be construed as making the Contractor liable for any injury, death, loss, damage or destruction caused by the sole negligence of the Cooperative."**

**TOWNSEND TREE SERVICE COMPANY LLC**

Contractor

By Amy E. Townsend

Amy E. Townsend, CEO

09-12-2023

Date \_\_\_\_\_



Sub/Feeder	Miles	Year	BID
Freemont 214-Symsonia	58.5	2024	\$ 779,203.00
Kevil 224-Woodville Rd	47.2		\$ 495,840.00
Calvert City 224-Calvert Heights	4.5		\$ 53,774.00
Krebs Station Road 224-Old U5 45	42.4		\$ 393,171.00
Smithland 224 -Tiline	85		\$ 677,706.00
<b>Total</b>	<b>237.6</b>		<b>\$ 2,399,694.00</b>

Sub/Feeder	Miles	Year	BID
Culp 244-Sharpe	36.6	2025	\$ 358,560.00
Joy 254-Lola	45.3		\$ 388,219.00
Kansas 234-Melber	32.6		\$ 352,134.00
Smithland 244-Mitchell Store	38.6		\$ 379,206.00
Krebs Station Road 214-Browns Plating	18.9		\$ 199,299.00
Kevil 214-Hobbs Rd	31.2		\$ 348,419.00
Reidland 234-Epperson Rd	4.6		\$ 51,051.00
<b>Total</b>	<b>207.8</b>		<b>\$ 2,076,888.00</b>

Rates for Removals			
Size	Cut and Leave	Cut and Chip	Remove All
4" - 8"	\$ 92.42	\$ 135.63	\$ 172.52
8" - 12"	\$ 141.01	\$ 165.38	\$ 207.02
12" - 16"	\$ 187.76	\$ 258.18	\$ 379.53
16" - 20"	\$ 374.55	\$ 443.55	\$ 670.57
21" and above	TM	TM	TM

Hourly Crews for 2024			3 Hourly Crews
Role	Hourly Price	Total	
Foreman	\$ 49.31	\$ 102,564.80	
Trimmer	\$ 43.05	\$ 89,544.00	
Truck (55'-60')	\$ 22.61	\$ 47,028.80	
Chipper	\$ 7.02	\$ 14,601.60	
Chain Saw	\$ 0.90	\$ 3,744.00	
Total		\$ 257,483.20	
<b>Annual Budget Total</b>		<b>\$ 772,449.60</b>	

\* JPEC has the right to accept any or all bids and may have more than one contractor performing work on JPEC's system.

# RIGHT-OF-WAY CLEARING CONTRACT CONTRACTOR'S PROPOSAL

(Proposal shall be submitted in ink or typewritten)

## ARTICLE 1 - GENERAL

**Section 1. Offer to Clear.** The undersigned (hereinafter called the "Contractor") hereby proposes to furnish all materials, equipment, machinery, tools, labor, transportation and other means required to trim and/or removes trees interfering with the Owner's electric transmission and distribution lines, to cut brush and undergrowth on Owner's right-of-way, and dispose of the debris resulting from such work as specified by the Owner, it agents or employees to the satisfaction of the property owner, bearing the RUS Designation Kentucky 20 McCracken in strict accordance with the Specifications and Drawings therefor, attached hereto and made a part hereof for the prices hereinafter stated.

**Section 2. Description of Project.** The Project will consist of approximately 446 miles of right-of-way clearing that may be split between Contractors. The Project is located in Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken counties in the State of Kentucky.

**Section 3. Description of Contract.** The Description of Units, Specifications, Drawings and Plans attached hereto and made a part hereof, together with the Proposal and Acceptance constitute the Contract. The Plans consisting of maps and plan and profile sheets if transmission clearing is included, showing the miles of right-of-way units that are to be cleared, along with other special drawings are identified as follows:

### Attachment 1 — Supplemental Conditions and Specific Requirements

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**Section 4. Familiarly with Conditions.** The Contractor warrants that it has made careful examination of the site of the Project and of the Specifications and has become informed as to the location and nature of the proposed work, the transportation facilities, the kind and character of soil and terrain to be encountered, and the kind of facilities required for undertaking and completing the Project, and has become acquainted with the labor conditions, state and local laws and regulations which would affect the proposed work.

**Section 5. License.** The Contractor agrees to secure all permits and licenses necessary for the performance of the work to be performed hereunder and to pay all charges and fees required for such permits and licenses.

**Section 6. Taxes.** The unit prices for Right-of-Way Clearing Units in this Proposal include any sums which are or may be payable by the Contractor on account of taxes imposed by any taxing authority on payments for materials furnished or services performed by the Contractor under the terms of this Contract.

## ARTICLE 11 – WORK

### Section 1. Time and Manner of Work.

- (a) The Contractor agrees to commence work no later than January 1, 2024 (hereinafter called the "Commencement Date") or such date which shall be determined by the Owner after its acceptance of this Proposal, but in no event will the Commencement Date be later than thirty (30) calendar days after date of acceptance of this Proposal. The Contractor further agrees to prosecute diligently and to complete clearing in strict accordance with the Specifications and Drawings by December 15<sup>th</sup> of each year.
- (b) The time for Completion of clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefor in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which

results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.

- (c) The sequence of right-of-way clearance shall be as set forth below. the numbers or names being the designations of extensions or areas (hereinafter called the "Sections") corresponding to the numbers or names shown on the maps attached hereto, or if no Sections are set forth below, the sequence of trimming shall be as determined by the Contractor subject to the approval of the Owner.
- (d) The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefor to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefor to the Owner prior to the commencement of work in connection with such change or addition.
- (e) The Contractor shall not perform any work hereunder on Sundays, holidays observed by the Owner, or between the hours of 6 PM and 7 AM without the express written approval of the Owner. The time for completion specified in subsection (a) of this Section I shall not be affected in any way by inclusion of this subsection or by the Owner's consent or lack of consent to work any of these restricted periods.

**Section 2. Environmental Protection.** The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways, or pastures.

### **Section 3. Supervision and Inspection.**

- (a) The Contractor shall cause the work on the Project to receive constant supervision by a competent general foreman or supervisor (hereinafter called the "Superintendent ") who shall be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced, and reliable foremen and such skilled workers as may be required for the various classes of work to be performed. Directions and instructions given to the Superintendent shall be binding upon the Contractor.
- (b) The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.
- (c) The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- (d) The Owner may suspend the work wholly or in part for such period or periods as the Owner may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract; provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is

suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours notice thereof in writing.

**Section 4. Unsuitable Workmanship.** The acceptance of any workmanship by the Owner shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.

## ARTICLE 111 - PAYMENT

### Section 1. Payments to Contractor.

(a) The Owner shall make partial payment to the Contractor for work accomplished and audited during the preceding calendar month on the basis of a statement of completed work furnished and certified to by the Contractor and approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such statement approved during the clearing of a given circuit shall be paid by the Owner to the Contractor prior to completion of all work for that circuit. Upon completion of the clearing of a circuit, the Contractor shall prepare a final statement and the Owner agrees to pay the remaining ten percent (10%) of the charges upon inspection of total completion.

#### Removal Payments

- (b) Within the first fifteen (15) days of each calendar month, The Owner shall make partial payment to the Contractor for removals accomplished and audited during the preceding calendar month on the basis of a statement of completed work furnished and certified to by the Contractor and approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials.
- (c) The Contractor shall be paid on a lump sum basis in accordance with the prices quoted herein as amended by approved Contract Amendments, if any.
- (d) No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.

**Section 2. Payments to Subcontractors.** The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

## ARTICLE IV - PARTICULAR UNDERTAKINGS OF THE CONTRACTOR

**Section 1. Protection to Persons and Property.** The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner.

The following provisions shall not limit the generality of the above requirements:

- (a) The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- (b) The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- (c) The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the

event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.

- (d) Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the Project shall be replaced in as good condition as they were found, and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending twenty (20) feet on both sides of the center line of the poles along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- (e) The Project, from the commencement of work to completion, or to such earlier date or dates when the Contractor for access to the route of the Project lines from public roads to carry on the work.
- (f) The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.
  - (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied, or services performed by Contractor, its subcontractors, and suppliers of any tier. Such indemnification specifically includes, but is not limited to, any fines, penalties, sanctions, or judgments imposed by any local government, regulatory agency, or court against Owner and Owner's directors, officers, and employees for any act or omission or conduct of Contractor, its subcontractors, employees, suppliers, representatives, and assigns, including the costs of defending any such proceeding (including reasonable attorney's fees). But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.
  - (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors, and suppliers of any tier, and from all losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor. No payments made by the owner pursuant to this provision shall be deemed payments of a "volunteer".
  - (iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above, which evidence may include but may not be limited to a bond or liability insurance policy obtained for this purpose through a licensed surety or insurance company.
- (g) Any and all excess debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash

in streams or waterways and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways, or pastures.

- (h) Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.
- (i) The Contractor shall submit to the Owner weekly reports in of all accidents, giving such data as may be prescribed by the Owner.

**Section 2. Insurance.** Contractor shall take out and maintain throughout period of this Agreement the following minimum amounts of insurance:

- (a) Contractor agrees to provide Worker's Compensation insurance covering all employees in statutory limits who perform any of the obligations assumed by the Contractor under this Agreement.
- (b) Contractor agrees to provide employer's liability insurance, as required by law, covering all their employees who perform any of the obligations of the contractor, engineer, and architect under the Contract. If any employer or employee is not subject to workers' compensation laws of the governing state, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws.
- (c) Public liability insurance covering all operations under the Contract shall have limits for bodily injury or death of not less than \$2 million each occurrence, limits for property damage of not less than \$2 million each occurrence, and \$5 million aggregate for accidents during the policy period. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.
- (d) Automobile liability insurance on all motor vehicles used in connection with the Contract, whether owned, non-owned, or hired, shall have limits for bodily injury or death of not less than \$1 million per person and \$3 million each occurrence, and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections (b) and (c) of this Section. In any such event, the additional premium, or premiums payable solely as the result of such additional insurance shall be added to the Contract price.

The Owner shall be named as Additional Insured on all policies of insurance required in subsections "b" and "c" of this Section.

The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Contractor shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than thirty (30) days prior written notice to the Owner of any cancellation or material change in the insurance.

**Section 3. Delivery of Possession and Control to the Owner.** Where the right-of-way clearance of a Section as hereinbefore defined in Article II, Section 1 (c) shall have been completed by the Contractor, the Owner agrees, after final inspection and having found the work acceptable and release of final payment for work performed on a circuit, to accept delivery of possession and control of such Section. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (f) hereof with respect to such Section so delivered to the Owner shall be terminated: Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4 hereof.

**Section 4. Assignment of Guarantees.** All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.

## ARTICLE V - REMEDIES

**Section 1. Completion on Contractor's Default.** If default shall be made by the Contractor or by any subcontractor in performance of any of the terms of this Proposal, Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety, if any, a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by Contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the Contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the Project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

**Section 2. Liquidated Damages.** The time of the Completion of Clearing is of the essence of the Contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of One Thousand Dollars (\$1,000) per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty; if the amount due and to become due from the Owner to the Contractor is insufficient to pay in full any such liquidated damages, the Contractor shall pay to the Owner the amount necessary to effect such payment in full: Provided, however, that the Owner shall promptly notify the Contractor in writing of the manner in which the amount retained, deducted or claimed as liquidated damages was computed.

**Section 3. Cumulative Remedies.** Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.

## ARTICLE VI - MISCELLANEOUS

### Section 1. Definitions.

- (a) The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof except the Contractor's obligations in respect of furnishing (1) the "Certificate of Contractor and Indemnity Agreement" and (2) the Final Inventory both referred to in Article III, Section I hereof.
- (b) The term "Completion" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.

**Section 2. Compliance with Statutes and Regulations.** The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulation issued pursuant thereto, and 18 U.S.C. 286, 287, 1001, as amended, the Contractor understand that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.

### Section 3. Equal Opportunity Provisions.

- (a) Contractor's Representations.

The Contractor represents that:

It has  does not have , 100 or more employees, and if it has, that it has , has not , furnished the Equal Employment Opportunity—Employer's Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100.

The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

(b) Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; lay off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.
- (3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers representative of the Contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- (6) In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
- (7) The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided however that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.



CO# 8405971  
 CI# 8405971

EQUAL EMPLOYMENT OPPORTUNITY  
 2021 EMPLOYER INFORMATION REPORT EEO-1  
 CONSOLIDATED REPORT

SECTION B - COMPANY IDENTIFICATION

1. TOWNSEND CORPORATION THE  
 1015 WEST JACKSON STREET  
 MUNCIE, IN 47305

2a. TOWNSEND CORPORATION THE  
 1015 WEST JACKSON STREET  
 MUNCIE, IN 47305

c. EIN# 351038926

SECTION C - TEST FOR FILING REQUIREMENT

1- Y 2- Y 3- Y DUNS# 016545519

SECTION E - ESTABLISHMENT INFORMATION  
 NAICS: 561730 - Landscaping Services

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS		
	***** MALE *****											***** FEMALE *****				
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES	
EXECUTIVE/SR OFFICIALS & MGRS	0	0	16	1	0	0	0	0	2	0	0	0	0	0	19	
FIRST-MID OFFICIALS & MGRS	7	1	161	2	0	1	0	0	4	0	0	0	0	0	176	
PROFESSIONALS	0	0	23	0	0	0	0	0	11	0	0	0	1	0	35	
TECHNICIANS	0	0	26	0	0	0	0	0	3	0	0	0	0	0	29	
SALES WORKERS	0	0	4	0	0	0	1	0	1	0	0	0	0	0	6	
ADMINISTRATIVE SUPPORT	0	0	4	0	0	0	0	0	34	0	0	0	3	0	41	
CRAFT WORKERS	136	1	729	25	0	1	19	8	7	0	0	0	0	0	926	
OPERATIVES	63	2	486	30	2	2	10	1	3	0	0	0	0	0	599	
LABORERS & HELPERS	20	0	139	17	0	0	6	3	1	0	0	0	0	0	166	
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>TOTAL</b>	<b>226</b>	<b>4</b>	<b>1588</b>	<b>75</b>	<b>2</b>	<b>4</b>	<b>36</b>	<b>12</b>	<b>66</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2017</b>	
PREVIOUS REPORT TOTAL	278	4	1781	60	2	5	36	26	67	1	0	0	1	0	2261	

SECTION F - REMARKS

DATES OF PAYROLL PERIOD: 10/31/2021 THRU 11/6/2021

SECTION G - CERTIFICATION

CERTIFYING OFFICIAL: MICHELLE MOLIN  
 EMAIL: MMOLIN@THETOWNSENDCORP.COM  
 EEO1 REPORT CONTACT PERSON: MICHELLE MOLIN  
 EMAIL: MMOLIN@THETOWNSENDCORP.COM

CERTIFIED DATE [EST]: 4/21/2022 4:47 PM

TITLE: EVP, CLO & CRO  
 PHONE: 7654681418  
 TITLE: EVP, CLO & CRO  
 PHONE: 7654681418

(c) Certificate of Nonsegregated Facilities. The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$1 000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

**Section 4. Franchises and Rights-of-way.** The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the Project other than permission to clear from landowners.

**Section 5. Non-assignment of Contract.** The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

**Section 6. Extension to Successors and Assigns.** Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

Townsend Tree Service Company LLC

Contractor

By: Amy E. Townsend  
Amy E. Townsend ~~President~~ CEO

1015 W. Jackson Street

Address

Muncie, IN 47305

September 12, 2023

Date

ATTEST:

Michelle M. Molin  
Secretary

Michelle M. Molin

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

# ACCEPTANCE

The Owner hereby accepts the foregoing Proposal of the Contractor, \_\_\_\_\_ for the following:

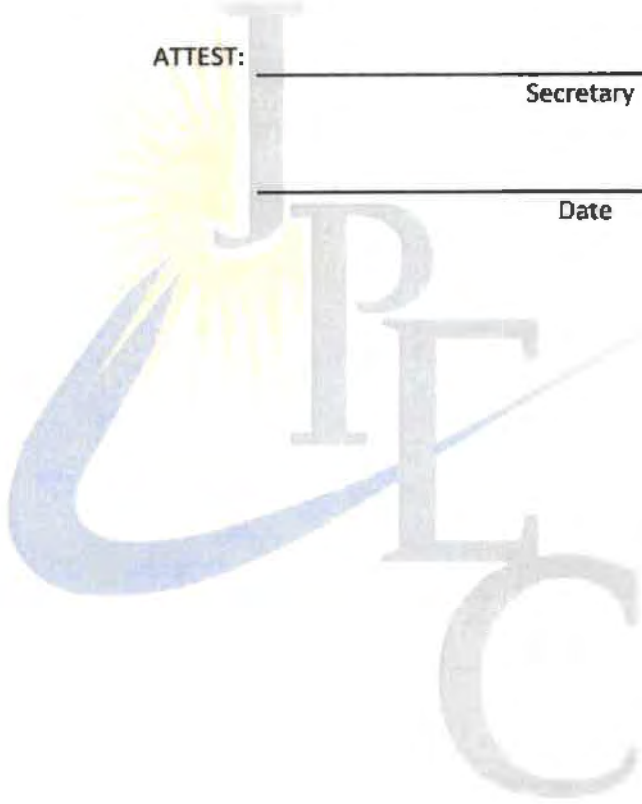
Total Distribution Clearing: \$ \_\_\_\_\_

\_\_\_\_\_  
President and CEO  
Jackson Purchase Energy Corporation

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date



ATTACHMENT 1  
SUPPLEMENTAL CONDITIONS  
AND  
SPECIFIC REQUIREMENTS

**I. SPECIFIC REQUIREMENTS**

1. Right-of-way clearing standards:
  - a. Right-of-Way shall be a minimum of forty (40) feet wide for two and three phase lines and thirty (30) feet wide for single phase lines.
  - b. Effective tree clearance for line reliability is dependent on the type of tree, its growth rate and habit.
  - c. All trees, shrubs, brush, vines, etc. shall be cut "earth-to-sky" and cleaned up that are located under or within minimum clearance outlined above. Debris resulting from the clearing operation shall be chipped and left on the right-of-way, where permissible, and in such a manner as not to obstruct roads, ditches, drains, etc.
  - d. All yard trees to be cut will be signified by a red dot of paint on the trunk. A yard tree is defined as a tree located in a residential lawn that is regularly mowed. These trees shall be cut and cleaned up even if said tree(s) are located further than twenty (20) feet from existing overhead primary lines. No overhang within the 40' or 30' specification will be accepted as completed.
  - e. Dwarf trees and shrubbery in a residential lawn will be left alone as long as they are located a minimum of ten (10) feet below the neutral and JPEC crews can safely work on the facilities.
  - f. Any growth located within a fencerow shall be cut and removed to the height of the fencerow.
  - g. Any and all trees removed or topped in a fencerow with a three inch (3") or larger diameter stump shall be treated with a dyed chemical.
2. Shaping or rounding-over trees beyond what is described in ANSI (AMERICAN NATIONAL STANDARDS INSTITUTE) A300 to achieve the desired conductor/vegetation clearance shall not be performed.

**II. SUPPLEMENTAL CONDITIONS**

1. The Contractor shall prepare and forward to the Owner a written weekly report outlining work performed the previous week, miles trimmed, and trees removed, problems encountered and resolved, time lost due to inclement weather, issues requiring the Owner's input and/or assistance, etc. Any event upon which the Contractor intends to rely on for an extension of time and/or change order to the Contract shall be clearly and completely described in the first report issued after said event occurs. Failure to notify the Owner of such an event within ten (10) calendar days of its occurrence will negate any possibility of it being used to support a change to the Contract.
2. Contractor agrees that complaints of any nature received through the Cooperative or directly from property owners, agents, or public authorities shall receive immediate attention and that all efforts shall be made for a prompt adjustment. All complaints, and any action taken by the Contractor in connection

with such complaints, shall be reported to the Cooperative in writing.

3. Contractor agrees that its personnel attire and equipment shall be clearly marked with company logo. The Contractor shall maintain its tools and equipment in good working order and with as neat an appearance as possible considering the work being performed.
4. Contractor agrees to install and maintain the necessary guards and protective devices at locations where work is being performed to prevent accidents to the general public or damage to the property and personnel of the Cooperative or the general public.
5. The qualifications and experience of all individuals that will be working within fifteen (15) feet of energized primary facilities shall be submitted to the Owner before they perform any work under this Contract.
6. All trees and brush removed in right-of-way cutting shall be cut flush as possible with ground lines. Logs shall be disposed of as designated on the right-of-way form or as designated in the Easement or Specifications. If upon request, logs may be cut to length, stacked neatly, and left on the right-of-way for the landowner.
7. The Contractor agrees to call the Cooperative immediately on all customer refusals. The Cooperative agrees to resolve these refusals within thirty (30) days of receipt from the Contractor. In the event that the refusal is not resolved within thirty (30) days, the Cooperative agrees to release the Contractor from responsibility for work associated with said refusal. Clearing and cutting in areas where refusals are related to land or weather conditions, such as crop lands or wet conditions, shall remain the responsibility of the Contractor.
8. The Cooperative agrees to provide circuit diagrams, which have been divided or broken into phases, outlining the flow of work. The Contractor agrees to complete all manual work on each phase before advancing to the next phase. It is agreed that machine work can advance once all machine work in a phase is completed.
10. The Contractor agrees to cut all circuitry, including disconnected lines and overhead guy poles, unless otherwise agreed to by the Cooperative.
11. Trimming or clearing associated with secondaries or services beyond the above stated distances is not included.
12. It is understood by and between the parties that the electric circuits of the Cooperative are to continue in normal operation during this work, and that Contractor is to provide and use all protective equipment necessary for the protection of Contractor's employees and to guard against interfering with the normal operation of said circuits.
13. The Contractor agrees to report all visually identifiable danger trees, which within reasonable judgement, threaten the operation of the Cooperative's circuitry and which are located outside of the 40' specification to the Cooperative's right-of-way foreman. A danger tree is defined as any tree that is off the right-of-way that, due to decay, leaning toward the line, or is exhibiting other abnormal characteristics, could fall and come into contact with supply lines.

Substation	Address	City	Zip Code
Burna	710 Carrsville Rd	Burna	42028
Calvert	5285 Gilbertsville Hwy	Calvert City	42029
Coleman	3203 Coleman Rd	Paducah	42001
Culp	331 Kerth Rd	Paducah	42003
Cumberland	770 Spencer Rd	Salem	42078
Draffenville	3540 Hwy 641 N	Benton	42025
Freemont	4045 Hardmoney Rd	Paducah	42003
Grand Rivers/Vulcan	1071 Dover Rd	Grand Rivers	42045
High Point	7685 Noble Rd	West Paducah	42086
Husband	3295 Husband Rd	Paducah	42003
Joy	1476 Carrsville Rd	Smithland	42081
Kansas	2767 Shaw Rd	Melber	42069
Kevil	11090 Woodville Rd	Kevil	42053
Krebs	330 Krebs Station Rd	Paducah	42003
Lacenter	7179 Turner Landing Rd	LaCenter	42056
Ledbetter	1425 Hwy 60 W	Ledbetter	42058
Little Union	4555 Roy Lee Rd	Paducah	42001
Lovellaceville	721 Cunningham Rd	Kevil	42053
Maxon	5081 Commerce Dr	Paducah	42001
New York	237 LaCenter Rd	Wickliffe	42087
Olivet	1775 Olivet Church Rd	Paducah	42001
Palma	3176 Palma Rd	Calvert City	42025
Possum Trot	340 Drivers Ln	Calvert City	42029
Ragland/Shell	13922 Ogden Landing Rd	Kevil	42053
Reidland	4850 Kentucky Dam Rd	Paducah	42003
Smithland	845 Iuka Rd	Smithland	42081
Strawberry Hill	4235 Hansen Rd	Paducah	42001

## Hourly Right-of-Way Agreement

THIS AGREEMENT made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between JACKSON PURCHASE ENERGY CORPORATION, (Hereinafter referred to as "Cooperative") and \_\_\_\_\_ (hereinafter referred to as "Contractor").

### WITNESSETH

That for and in consideration of the covenants and agreements hereinafter mentioned to be performed by the parties hereto, and the payment hereinafter agreed to be made, it is mutually agreed as follows:

1. Contractor agrees to furnish its own labor. Said labor shall include three (3) three-man crews. Each crew shall consist of a Crew Leader (Foreman), a Trimmer and a Laborer. Said labor shall also include an English-speaking Crew Leader (Foreman) for each crew. Contractor also agrees to furnish all equipment, per the Cooperative's needs and/or requests, as agreed upon in the Hourly Rate Schedule, which is part of this Agreement, and any other tools, transportation, and materials necessary to trim and/or remove trees interfering with the Cooperative's electric transmission and distribution lines, to cut brush and undergrowth on Cooperative's right-of-way, and to dispose of the debris resulting from such work as specified by the Cooperative, its agents or employees to the satisfaction of the property owner. All equipment furnished by the Contractor must be newer than five (5) years and power saws will be replaced annually.
2. Contractor shall work a forty-hour (40) work week whenever possible. The regular work week for the three (3) crews will consist of five (5) eight (8) hour days with each workday beginning at 7:30 a.m. and ending at 4:00 p.m. Contractor agrees that, when necessary, crews will work on Saturday to make up for a lost day(s) during the regular work week.
3. Contractor agrees to furnish a Lead Foreman to oversee all three (3) crews at no additional cost to the Cooperative. The Lead Foreman will be required to meet with a Cooperative representative daily and serve as the primary contact between the Cooperative and Contractor. The Contractor shall prepare and forward to the Cooperative a written weekly report outlining work performed the previous week, problems encountered and resolved with members, time lost due to inclement weather, issues requiring the Cooperative's input and/or assistance, etc.
4. When and where the Cooperative has not already done so, the Contractor shall notify the property owner, authorized agent, or public authority of the necessary work. During said notification, the Contractor and the landowner shall determine the best time and entry path to perform the necessary work.
5. Contractor agrees to secure all permits and licenses necessary for the performance of the work to be performed hereunder and to pay all charges and fees required for such permits and licenses.

6. Contractor agrees to perform work in accordance with all federal, municipal, county, state and other local laws, ordinances, and regulations applicable to said work. Contractor shall perform work to the complete satisfaction of the Cooperative and in accordance with the directions and instructions of the Operations Manager of the Cooperative or his properly designated representative, and in the absence of the specific directions for any particular type of work, in accordance with the specifications as set forth in the Cooperative's Right-of-Way Clearing & Maintenance Procedure. In addition to the specifications as set forth in the procedure, the Contractor agrees to abide by the following general specifications:
  - (a) Wherever practicable and permissible, dead, or defective trees, dangerous limbs and fast growing weed trees located so as to be a hazard to Cooperative's lines shall be removed.
  - (b) All trees and brush removed in right-of-way cutting shall be cut flush as possible with ground lines. Logs shall be treated as debris and disposed of as designated. If upon request, logs may be cut to length, stacked neatly, and left on the right-of-way for the landowner.
  - (c) All stumps shall be chemically treated to prevent regrowth as needed. Materials and methods to be used for all chemical treatment work shall be mutually determined by the parties hereto. Contractor shall have the right to omit any portion of a line where, in its opinion, damage to crops, ditches, waterways, orchards or ornamental plantings is likely to result. All such omissions shall be reported in writing to the Cooperative and no further action shall be taken except upon mutual agreement of the parties hereto.
  - (d) In the event a member refuses to grant permission to the Contractor that will allow the Contractor to meet the aforementioned requirements, the Contractor shall notify in writing the Cooperative's Operations Manager or his designated representative with details related to said refusal.
7. Contractor agrees that its personnel attire and equipment shall be clearly marked with company logo and shall at all times present a neat appearance, and all work shall be done, and all complaints handled by Contractor with due regard for Cooperative's public relations.
8. Contractor agrees that complaints of any nature received through the Cooperative or directly from property owners, agents, or public authorities shall receive immediate attention and that all efforts shall be made for a prompt adjustment. All complaints, and any action taken by the Contractor in connection with such complaints, shall be reported to the Cooperative in writing.
9. It is understood that the Contractor is an independent contractor under the terms of this Agreement, and each of the parties shall perform its obligations hereunder as an independent contractor and not as an agent, employee, or servant of the other party. Further, it is also understood that the Contractor does not represent the Cooperative and has no authority to obligate the Cooperative for any payment or benefit of any kind to any person.



10. Contractor agrees to install and maintain the necessary guards and protective devices at locations where work is being performed to prevent accidents to the general public or damage to the property and personnel of the Cooperative or the general public.
11. Contractor agrees to secure from the Cooperative, information as to the nature of the circuits involved in all cases before work is commenced. It is understood by and between the parties that the electric circuits of the Cooperative are to continue in normal operation during this work, and that Contractor is to provide and use all protective equipment necessary for the protection of Contractor's employees and to guard against interfering with the normal operation of said circuits.
12. Contractor hereby covenants and agrees to indemnify, protect, save, hold harmless and defend the Cooperative, its members, directors, officers, employees and agents from and against any and all liabilities, claims, demands and costs including all losses, costs, fines, penalties, damages, attorney's fees, judgements and expenses of any kind and nature which the Cooperative may suffer, expend or incur under, by reason of or in consequence of any negligent acts, omissions or conduct of the Contractor, its employees, representatives, successors or assigns. The Contractor also agrees to indemnify, protect, save, hold harmless and defend the Cooperative, its members, directors, officers, employees and agents from any and all claims whatsoever of any nature or kind, including those brought by employees of the Contractor, or subcontractors, arising out of or as a result of any act or failure to act by the Cooperative, whether or not negligent, in connection with the performance of the work to be performed pursuant to the contract by the Contractor, its employees, agents, and subcontractors including indemnification for payment of any judgement against Cooperative for negligence attributed to it under the legal theory of vicarious liability.
13. Contractor shall carry insurance in such form as required by the Cooperative to protect the parties from and against any and all claims, demands, actions, judgments, costs, expenses and liabilities of every name and nature which may arise or result, directly or indirectly, from or by reason of any such loss, injury, death, or damage involving the Contractor. The Cooperative shall be named as an additional insured on all applicable policies and the policies shall meet the following requirements of the Cooperative:
  - (a) Workers Compensation - Contractor agrees to provide Worker's Compensation insurance and employer's liability insurance covering all employees who perform any of the Contractor's obligations under this Agreement.
  - (b) Property Damage - Contractor agrees to carry Property Damage insurance covering all operation under this Agreement against liability due to property damage as to any one occurrence of not less than two million dollars (\$2,000,000) per damage claim and not less than five million dollars (\$5,000,000) aggregate against all claims during this Agreement.
  - (c) Public Liability - Contractor agrees to carry Public Liability insurance, including automobile liability insurance, covering all operation under this Agreement against

liability due to bodily injury or death as to any one occurrence of not less than two million dollars (\$2,000,000) per bodily injury or death claim, with a total of five million dollars (\$5,000,000) aggregate against all claims during this Agreement.

- (d) Automobile liability insurance on all motor vehicles used in connection with the Contract, whether owned, non-owned, or hired, shall have limits for bodily injury or death of not less than \$1 million per person and \$3 million each occurrence, and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.

Contractor shall submit to Cooperative certificates from each company ensuring Contractor demonstrating that it has insured Contractor for all liabilities of Contractor under this Agreement and that it will not cancel, change, nor fail to renew any policy of insurance issued to Contractor except after thirty (30) days prior written notice to Cooperative. Cooperative may immediately terminate this Agreement upon cancellation or non-renewal of any of the policies required under this section.

14. Hourly work shall begin, January 1<sup>st</sup>, 2024, and shall consist of new construction right-of-way clearing and clean-up when applicable and existing right-of-way clearing and clean-up when applicable, whichever is assigned, including any single-phase, two-phase, three-phase or secondary off builds.
15. The price paid by the Cooperative to the Contractor shall be determined by the amount agreed upon in the attached Hourly Rate Schedule, which is a part of this Agreement.
16. The term of the hourly right-of-way contract between the Cooperative and the Contractor will be 24 months from the date of this contract. Said rates as agreed upon in the Hourly Rate Schedule shall be good for the duration of this Agreement and no additional fees or increases in fees shall occur.
17. Contractor agrees to furnish to the Cooperative, or its representative, daily time sheets and other required reports showing the nature, amount and location of work performed, together with the number of man hours and equipment hours involved.
18. In the event of the default by Contractor as to any of the terms stated herein, the Cooperative may, at its option, notify Contractor of such default, which the Contractor agrees to immediately cure or, without notice to the Contractor, file suit in a court of appropriate jurisdiction to request specific performance of the contract or damages resulting from the default, breach, or delay to the Contractor.
19. This agreement may be terminated by either party for convenience at any time. Said termination is to be made only after ninety (90) days written notice to either party.

20. This agreement shall be binding upon the parties hereto and their heirs, executors, administrators, successors, and assigns. Contractor shall not assign any of its rights or duties under this agreement, or sub-contract the whole or any part of the work to be performed hereunder, without first having obtained written consent of the Cooperative authorizing such assignment or sub-contract.
21. This agreement is not intended to constitute an agreement of hiring under the provisions of any Worker's Compensation or Unemployment Compensation law, any old age benefit law, or any similar law and it shall not be so construed. Contractor agrees to accept full exclusive liability for the payment of contributions or taxes imposed under such laws by the Federal and/or State Government which are measured by remuneration paid to Contractor's employees.
22. This Agreement shall be amended only in writing and signed by both parties.



Townsend Tree Service Company LLC

Contractor

By: Amy E. Townsend  
Amy E. Townsend ~~President~~ CEO

1015 W. Jackson Street

Address

Muncie, IN 47305

September 12, 2023

Date

ATTEST:

Michelle M. Molin  
Michelle M. Molin Secretary

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.

\_\_\_\_\_  
President and CEO  
Jackson Purchase Energy Corporation

ATTEST: \_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

**2023 Townsend Bid**



August 26, 2022

Mr. Jeff Williams  
CFO-VP Finance and Accounting  
Jackson Purchase Energy Corporation  
6252 US Highway 60W  
Paducah, KY 42001

Re: 2023 Lump Sum/Unit Pricing

Dear Mr. Williams,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced projects. Enclosed please find our pricing, exceptions to the Lump Sum Contract and Fuel Surcharge Language below. Townsend is bidding 2023 work only due to the volatility of today's fuel, labor, and equipment pricing. It is difficult to price outside one year at a time.

***In the event that Fuel Prices Increase by more than 10% from the date the bid was submitted during the term of this contract, (insert name of company. TTS, NGG) reserves the right to invoice a fuel surcharge for the difference in increased fuel prices on a monthly basis until fuel decreases to the level they were at the date of submittal. The fuel surcharge will be calculated as follows:***

***"Current Price of Fuel (Unleaded and Diesel) actually purchased, minus (-) the price of fuel at submittal date, (using the U.S. Energy Information Administration fuel index, [https://www.eia.gov/dnav/pet/PET\\_PRI\\_GND\\_DCUS\\_NUS\\_W.htm](https://www.eia.gov/dnav/pet/PET_PRI_GND_DCUS_NUS_W.htm)), times (x) the number of actual gallons purchased in each month."***

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness, and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, everyday.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

*J. Michael McClure*

J. Michael McClure  
CFO

P.O. Box 7015, Muncie, IN 47308  
765-468-1417



**JACKSON PURCHASE ENERGY COOPERATIVE**  
**2023 Right of Way Clearing Contract**

**Contractor's Certification:** This is to certify that it is our intent to furnish equipment, material and in compliance with the Bid submitted by us except where expressly noted below. The Bid is expressly amended and modified by Contractor to include the following terms and conditions:

**Article IV-Particular Undertakings of the Contractor: The sixth line of Section 1(f)(i) is deleted and replaced with the following follows T&M Contract:**

**Contractor's property) in any manner arising out of or connected with Contractor's negligent performance of the Contract**

**TOWNSEND TREE SERVICE COMPANY LLC**

Contractor

By J. Michael McClure  
J. Michael McClure, CFO

08-26-22

Date \_\_\_\_\_

Townsend Tree Service Company LLC

2023 Circuit Cutting		
Substation/Circuit	Circuit Miles	Bid
Calvert City 214-Hwy 95	6.8	\$ 86,097.00
Calvert City 224-Calvert Heights	11.9	\$ 175,079.00
Coleman Road 224-Conrad Heights	4.5	\$ 140,497.00
Freemont 244-Freemont	12.9	\$ 162,213.00
Grand Rivers 244-Pelican GR #1	13.4	\$ 223,950.00
High Point 224-Carneal Rd	23.7	\$ 296,429.00
Kansas 244-Pottsville	32.1	\$ 316,561.00
LaCenter 224-Oscar	51.4	\$ 557,455.00
Ledbetter 224-US 60 East	23.6	\$ 343,569.00
Maxon 214-Maxon Rd	3.6	\$ 42,365.00
Maxon 224-Express	6.3	\$ 68,596.00
New York 254-Slater	46.6	\$ 511,718.00
Possum Trot 234-Hwy 95	7.2	\$ 74,784.00
Ragland 224-Ragland	20.9	\$ 288,780.00
Smithland 214-Smithland	13.8	\$ 192,006.00
Smithland 224-Tiline	85	\$ 837,414.00
Strawberry Hill 224-Hansen Rd	6.5	\$ 175,031.00
	370	\$ 4,492,544.00

2024 Circuit Cutting		Townsend will not be bidding 2024 Projects
Substation/Circuit	Circuit Miles	Bid
Culp 234-Possum Trot	10.8	
Culp 244-Sharpe	36.6	
Cumberland 224-Pinckneyville	23.2	
Freemont 224-McNeil Lane	26.1	
Freemont 254-Bonds Rd	11.5	
Grand Rivers 224-Smithland	19.3	
High Point 214-High Point	13.7	
Joy 214-Hampton South	49.1	
Joy 254-Lola	45.3	
Kansas 234-Melber	32.6	
Kevil 214-Hobbs Rd	32.2	
Krebs Station Road 214-Browns Plating	18.9	
LaCenter 214-Damrons	30.6	
Palma 234-Palma	26.2	
Possum Trot 224-Possum Trot	25	
Reidland 234-Epperson Rd	4.6	
Reidland 244-Walker Boat Yard	7.9	
	413.6	



2025 Circuit Cutting	Townsend will not be bidding 2025 Projects.	
Substation/Circuit	Circuit Miles	Bid
Calvert City 234-Gilbertsville	12.6	
Calvert City 244-Industrial Park	3.4	
Coleman Road 244-Hwy 60 Business	3.2	
Coleman Road 254-KY Oaks Mall	1.3	
Culp 214-Proform	9.8	
Culp 224-Little Cypress	5.5	
Cumberland 234-Quarry	3.8	
Draffenville 214-Draffenville	10.6	
Freemont 214-Symsonia	58.5	
Husbands Road 224-Husbands Rd	20	
Husbands Road 234-Lydon Rd	15.5	
Husbands Road 244-Clarkline Rd	14.4	
Joy 244-Carrsville	7.8	
Kansas 224-US 45 Folsomdale	21.5	
Kevil 224-Woodville Rd	38.1	
Kevil 234-Kelley Rd	22.2	
Krebs Station Road 224-Old US 45	42.4	
Ledbetter 234-River Crossing	3.6	
Little Union 234-US 60 East Mall	3.6	
New York 224-US 286 East Gage	34.6	
Olivet Church Road 224-Highland Ch Rd	10.2	
Olivet Church Road 234-Info Age Park	0.6	
Palma 214-Hwy 95	17	
Palma 224-Draffenville	8.8	
Possum Trot 254-Industrial Loop	20.4	
Possum Trot 264-CoalTek	3.9	
Reidland 224-Reidland Water	1.6	
Strawberry Hill 234-Walmart	1.5	
Strawberry Hill 254-CSI	0.9	
Strawberry Hill 264-Hwy 60	1	
Vulcan 224-Vulcan Pit	2.2	
Vulcan 234-Vulcan1 Rock Crusher	1	
Vulcan 244-Kinder Morgan 1	5.9	
Vulcan 254-Vulcan 2 Hwy 62	4.4	
	411.8	

***Please note: JPEC strongly recommends an on-site field assessment of the sc***

**\* JPEC has the right to accept any or all bids and may have more than one**

Townsend Tree Service Company LLC

Rates			
Size	Cut and Leave	Cut and Chip	Remove All
4" - 8"	\$ 83.60	\$ 125.40	\$ 159.50
8" - 12"	\$ 127.60	\$ 152.90	\$ 191.40
12" - 16"	\$ 155.10	\$ 238.70	\$ 350.90
16" - 20"	\$ 327.80	\$ 391.60	\$ 583.00
21" and above	TM	TM	TM



August 26, 2022

Mr. Jeff Williams  
CFO-VP Finance and Accounting  
Jackson Purchase Energy Corporation  
6252 US Highway 60W  
Paducah, KY 42001

Re: 2023 Hourly Rates

Dear Mr. Williams,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced project. Please find enclosed our pricing, exceptions to the TM Contract and Fuel Surcharge noted below. Townsend is bidding 2023 work only due to the volatility of today's fuel, labor, and equipment pricing. It is difficult to price outside one year at a time.

***In the event that fuel prices increase by more than 10% from the date the bid was submitted during the term of this contract, Townsend reserves the right to invoice a fuel surcharge for the difference in increased fuel prices on a monthly basis until fuel decreases to the level they were at the date of submittal. The fuel surcharge will be calculated as follows:***

***"Current Price of Fuel (Unleaded and Diesel) actually purchased, minus (-) the price of fuel at submittal date, (using the U.S. Energy Information Administration fuel index, [https://www.eia.gov/dnav/pet/PET\\_PRI\\_GND\\_DCUS\\_NUS\\_W.htm](https://www.eia.gov/dnav/pet/PET_PRI_GND_DCUS_NUS_W.htm)), times (x) the number of actual gallons purchased in each month."***

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness, and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, everyday.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

*J. Michael McClure*

J. Michael McClure, CFO

P.O. Box 7015, Muncie, IN 47308  
765-468-1417




**JACKSON PURCHASE ENERGY COOPERATIVE**  
**Hourly Right of Way Agreement**

**Contractor's Certification:** This is to certify that it is our intent to furnish equipment, material and in compliance with the Bid submitted by us except where expressly noted below. The Bid is expressly amended and modified by Contractor to include the following terms and conditions:

**Add new provision [same language as in Right of Way Clearing Contract]**

**Cooperative shall make partial payment to the Contractor for work accomplished and audited during the preceding calendar month on the basis of daily time sheet, statement of completed work furnished and certified by the Contractor and approved by the Owner solely for the purposes of payment.**

**TOWNSEND TREE SERVICE COMPANY LLC**  
Contractor

By   
J. Michael McClure, CFO

08-26-22

Date \_\_\_\_\_



## 2023 Hourly Rates

Labor Rates	Billing Rate	Overtime Rate
General Foreman	\$52.81	\$79.22
Foreman A	\$46.66	\$69.99
Foreman B	\$44.90	\$67.35
Trimmer A	\$40.50	\$60.75
Trimmer B	\$37.86	\$56.80
Trimmer C	\$36.11	\$54.16
Trimmer D	\$34.79	\$52.18
Groundman	\$33.47	\$50.20
Operator	\$46.66	\$69.99

### Equipment Rates

55' Bucket 2WD	\$20.50
55' Bucket 4WD	\$26.27
70' Bucket 2WD	\$26.31
70' Bucket 4WD	\$28.62
55' Puddle Jumper	\$28.34
70" Puddle Jumper	\$30.54
Disc Chipper 12"	\$ 7.02
CDU 4WD	\$19.43
Grapple Truck	\$37.68
Remote Trimmer	\$60.00
BYB	\$36.80
Tractor 4WD	\$42.50
Geoboy/Klearway	\$72.95
Skid Steer Mulcher	\$45.00
Pickup 4WD	\$15.62
Chainsaws	\$ 0.90

# BIDDER'S QUALIFICATION DOCUMENT

## Financial Analysis

### BIDDER'S QUALIFICATIONS

#### Financial Analysis

*To be submitted in accordance with the provisions set forth in "Notice and Instructions to Bidders" contained in the bidding documents for the project.*

The undersigned Bidder makes the following representations relating to its proposal to Provide overhead  
distribution line construction services

for (Business name, address and Rural Electrification Administration designation) Jackson Purchase Energy  
Corporation, 6525 Us Highway 60 W Paducah KY 42001

Townsend Tree Service Company LLC

1. The Bidder maintains a permanent place of business at  
1015 W. Jackson Street , Muncie , IN 47305
2. The Bidder possesses adequate financial resources as indicated by the following abbreviated statement:  
Financial condition at close of business December 31 , 20 21 :

**ASSETS:**

	\$	See attached financial statement
(a) Cash in bank and on hand	\$	_____
(b) Receivable – notes, open accounts and interest	\$	_____
(c) Stocks and Bonds	\$	_____
(d) Real Estate, Furniture & Fixtures, Materials	\$	_____
(e) Equipment	\$	_____
(f) Other Assets (name) _____	\$	_____
	\$	_____
<b>TOTAL ASSETS</b>	<b>\$</b>	_____

**LIABILITIES:**

	\$	_____
(a) Payable – notes, open accounts and interest	\$	_____
(b) Real Estate encumbrances	\$	_____
(c) Other encumbrances (name) _____	\$	_____
	\$	_____
(d) Reserves	\$	_____
(e) Capital Stock paid up (all Classes)	\$	_____
(f) Surplus – net worth	\$	_____
<b>TOTAL LIABILITIES</b>	<b>\$</b>	_____

In addition to the foregoing, a complete and detailed financial statement will be furnished if required.

3. The following judgments are outstanding against the Bidder:

	<i>Judgment Creditors</i>	<i>Where Docketed and Date</i>	<i>Amount</i>
(a)	_____	_____	\$ _____
(b)	_____	_____	\$ _____
	<b>TOTAL JUDGEMENTS</b>		<b>\$ See attached letter.</b>

## BIDDER'S QUALIFICATION DOCUMENT

4. The Bidder will make available for use in connection with the proposed construction the following construction plant and equipment:

Bucket Trucks, Chippers, Remote Trimmers, Skid Steers, Grapple Trucks, and Pick Ups

5. The Bidder has had the following experience on other similar work:

Meade County RECC, 1351 KY-79, Brandenburg, KY 40108 David R. Poe ph: 270-668-2780

email: [dpoe@mcrecc.com](mailto:dpoe@mcrecc.com)

Sevier County Electric, PO Box 4870, Sevierville, TN 37864 Steve Springer ph: 865-774-6274

email: [sspringer@sces.net](mailto:sspringer@sces.net)

Big Rivers Electric 201 3<sup>rd</sup> Street, Henderson, KY 42420 Randy Hutchison ph: 270-860-0944

email: [randy.hutchison@bigrivers.com](mailto:randy.hutchison@bigrivers.com)

6. If awarded the contract for the construction of the Project, the Bidder will employ the construction superintendents and supervisors listed hereunder for work throughout the course of the construction of the Project.  
Area Manager, Tracy Kinslow

General Foreman, Josh Roberts, Field Supervision James Nesler and Chris Wallace

*Attached hereto are signed statements of the qualifications of said superintendents and supervisors, including specific experience in supervision of construction of the type of facilities included in the plans and specifications.*

7. The Bidder now has the following bonded jobs under contract:

Sevier County Electric

\$ 3.5 Million

Southside Electric

\$ 2.4 Million

\$

8. The Bidder possesses Contractor's License No. NA for the State of

\_\_\_\_\_ in which the Project is located, and said license

expires on \_\_\_\_\_, 20 \_\_\_\_\_.



## BIDDER'S QUALIFICATION DOCUMENT

### Contractor Safety Questionnaire (Please attach additional sheets if needed)

1. List your company's Interstate Experience Modification Rate (EMR) for the three most recent years and attaches written verification from your Insurance Company.

<u>Year:</u>	<u>EMR:</u>
<u>2021</u>	<u>.59</u>
<u>2020</u>	<u>.56</u>
<u>2019</u>	<u>.59</u>

2. Please use your last three year's OSHA No. 300 log to fill in the number of injuries and illnesses:

Number of lost workday (days away) cases:	<u>Yr: 2021 # 16</u>
	<u>Yr: 2020 # 24</u>
	<u>Yr: 2019 # 16</u>

Number of restricted workday cases:	<u>Yr: 2021 # 0</u>
	<u>Yr: 2020 # 0</u>
	<u>Yr: 2019 # 0</u>

Number of cases with medical treatment only:	<u>Yr: 2021 # 15</u>
	<u>Yr: 2020 # 20</u>
	<u>Yr: 2019 # 14</u>

Number of fatalities:	<u>Yr: 2021 # 0</u>
	<u>Yr: 2020 # 0</u>
	<u>Yr: 2019 # 0</u>

3. Employee hours worked the last three years. (Do not include any non-work time, even though paid).

Yr: 2021 3,373,803  
Yr: 2020 3,779,330  
Yr: 2019 3,376,642

4. List any/all fatalities in each of the past 3 years with explanation of cause.  
Not Applicable

5. List all contact injuries in each of the past 3 years with explanation of cause.  
See Attached.

## BIDDER'S QUALIFICATION DOCUMENT

6. Has your company been cited or received notice of violation by Federal or State agencies for violation of safety or environmental requirements in the past five (5) years? If so, please explain. No
  
7. Please provide your Company's OSHA citation history for the past five (5) years. Include the following information for each citation:  
See attached.
  - a. Location
  - b. Date
  - c. Type Inspection
  - d. Standard Cited
  - e. Violation Type
  - f. Current Status
  
8. Are crew visits held for the purpose of safety inspections and onsite training? If so, by whom (name and title) and how often?  
Safety Managers, Regional Managers, Area Managers, General Foreman or Supervisors. Weekly.
  
9. Please attach your company's CSA evaluation results and your SAFER company snapshot. Please include your USDOT # with these reports. See attached.
  
10. Please describe your apprentice program for newly hired employees?  
See attached orientation program. (USB Drive)
  
11. Do you have a training program for promoted foremen and operators? If so, please describe. See attached certification manual. (USB Drive)
  
12. Please describe your pre-work job briefing process  
See attached job briefing checklist. (USB Drive)

## BIDDER'S QUALIFICATION DOCUMENT

13. Does your company have a substance abuse program? If so, please describe.  
See attached. (USB Drive)
  
14. What insurance company are you represented by and what is their AM Best rating?  
See attached certificate of insurance.
  
15. What is your company's general liability coverage limits?  
See attached certificate of insurance.
  
16. What is your company's auto liability limits?  
See attached certificate of insurance.
  
17. What is your company's professional liability limits?  
Townsend does not carry professional liability insurance.
  
18. Do you have a written safety program? Please attach a copy if so.  
Safety Outline attached.  
Safety Manual attached. (USB Drive)

**TOWNSEND**



**THE TOWNSEND CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2021 AND 2020**

*CPAs / ADVISORS*



# THE TOWNSEND CORPORATION

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Blue & Co., LLC / 813 West Second Street / Seymour, IN 47274  
main 812.522.8416 website blueandco.com

## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
The Townsend Corporation  
Muncie, Indiana

### Opinion

We have audited the accompanying consolidated financial statements of The Townsend Corporation (the "Company"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Blue & Co., LLC*

Seymour, Indiana

March 22, 2022

## THE TOWNSEND CORPORATION

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020

#### ASSETS

	2021	2020
<b>Current assets</b>		
Cash	\$ 2,995,804	\$ 8,309,203
Accounts receivable - trade	40,528,840	39,945,445
Current portion of note receivable from stockholder	358,588	265,859
Contract assets	2,168,667	4,783,806
Inventories	685,229	433,555
Prepaid expenses and other	2,283,065	1,575,046
Total current assets	49,020,193	55,312,914
<b>Property and equipment</b>		
Land	915,425	895,440
Buildings and improvements	8,993,892	8,797,777
Field machinery and equipment	108,033,655	104,577,868
Office furniture and fixtures	5,623,082	5,541,510
	123,566,054	119,812,595
Less accumulated depreciation	77,776,719	75,571,474
Net property and equipment	45,789,335	44,241,121
<b>Other assets</b>		
Customer lists, net	5,606,831	7,452,191
Note receivable from stockholder	12,316,873	12,717,978
Cash surrender value of life insurance	357,370	341,115
Other	25,000	100,000
Total other assets	18,306,074	20,611,284
	<u>\$ 113,115,602</u>	<u>\$ 120,165,319</u>

See accompanying notes to consolidated financial statements.



## THE TOWNSEND CORPORATION

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020

#### LIABILITIES AND STOCKHOLDERS' EQUITY

	2021	2020
<b>Current liabilities</b>		
Current maturities of long-term debt	\$ 8,933,749	\$ 10,470,103
Accounts payable	5,892,310	6,825,465
Contract liabilities	435,060	646,100
Accrued wages	1,883,325	2,196,100
Accrued dividends	-0-	4,279,596
Accrued expenses	7,706,690	8,404,815
Current portion of contingent consideration payable	550,000	500,000
Accrued self-funded insurance claims	3,567,551	3,032,546
Total current liabilities	28,968,685	36,354,725
<b>Long-term liabilities</b>		
Lines of credit	10,225,447	-0-
Accrued self-funded insurance claims	575,744	413,176
Deferred stock appreciation rights	5,433,010	5,073,990
Contingent consideration payable	1,400,000	3,218,800
Long-term debt	15,150,029	29,071,778
Total liabilities	61,752,915	74,132,469
<b>Stockholders' equity</b>		
The Townsend Corporation		
Common stock, no par value; 10,000 shares authorized, 3,154 shares issued and 1,673 shares outstanding	213,675	213,675
Retained earnings	61,895,753	56,567,027
Total stockholders' equity	62,109,428	56,780,702
Less treasury stock, 1,481 shares at cost	10,759,601	10,759,601
Total The Townsend Corporation	51,349,827	46,021,101
Non-controlling interest	12,860	11,749
Total stockholders' equity	51,362,687	46,032,850
	<u>\$ 113,115,602</u>	<u>\$ 120,165,319</u>

See accompanying notes to consolidated financial statements.

## THE TOWNSEND CORPORATION

### CONSOLIDATED STATEMENTS OF INCOME YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021		2020		Increase (Decrease)
	Amount	Percent	Amount	Percent	
<b>Contract revenues</b>	\$ 248,343,808	100.0	\$ 262,310,472	100.0	\$ (13,966,664)
<b>Cost of contract revenues</b>	<u>216,453,042</u>	87.2	<u>223,294,586</u>	85.1	<u>(6,841,544)</u>
Gross profit	31,890,766	12.8	39,015,886	14.9	(7,125,120)
<b>Operating expenses</b>	<u>22,866,089</u>	9.2	<u>22,368,351</u>	8.5	<u>497,738</u>
Income from operations	9,024,677	3.6	16,647,535	6.3	(7,622,858)
<b>Other income (expense)</b>					
Gain on sale of assets	2,413,406	1.0	1,070,062	0.4	1,343,344
Change in contingent consideration payable	1,268,800	0.5	-0-	0.0	1,268,800
Interest expense	(768,230)	(0.3)	(1,109,196)	(0.4)	340,966
Contributions	(1,000,000)	(0.4)	(1,000,000)	(0.4)	-0-
Other non-operating expense	<u>(518,115)</u>	(0.2)	<u>(535,298)</u>	(0.2)	<u>17,183</u>
Other income (expense), net	<u>1,395,861</u>	0.6	<u>(1,574,432)</u>	(0.6)	<u>2,970,293</u>
Consolidated net income	10,420,538	4.2	15,073,103	5.7	<u>\$ (4,652,565)</u>
Net income attributable to non-controlling interest	<u>(1,111)</u>		<u>(7,081)</u>		
Net income attributable to The Townsend Corporation	<u>\$ 10,419,427</u>		<u>\$ 15,066,022</u>		

*See accompanying notes to consolidated financial statements.*

## THE TOWNSEND CORPORATION

### CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2021 AND 2020

	The Townsend Corporation				Non-controlling Interest	Total
	Common Stock	Retained Earnings	Treasury Stock	Total		
<b>Balance - December 31, 2019</b>	\$ 213,675	\$ 51,253,260	\$ (10,759,601)	\$ 40,707,334	\$ 4,668	\$ 40,712,002
Consolidated net income	-0-	15,066,022	-0-	15,066,022	7,081	15,073,103
Dividends	-0-	(9,752,255)	-0-	(9,752,255)	-0-	(9,752,255)
<b>Balance - December 31, 2020</b>	213,675	56,567,027	(10,759,601)	46,021,101	11,749	46,032,850
Consolidated net income	-0-	10,419,427	-0-	10,419,427	1,111	10,420,538
Dividends	-0-	(5,090,701)	-0-	(5,090,701)	-0-	(5,090,701)
<b>Balance - December 31, 2021</b>	<u>\$ 213,675</u>	<u>\$ 61,895,753</u>	<u>\$ (10,759,601)</u>	<u>\$ 51,349,827</u>	<u>\$ 12,860</u>	<u>\$ 51,362,687</u>

*See accompanying notes to consolidated financial statements.*

## THE TOWNSEND CORPORATION

### CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<b>Operating activities</b>		
Consolidated net income	\$ 10,420,538	\$ 15,073,103
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization	15,225,914	14,461,249
Gain on sale of assets	(2,413,406)	(1,070,062)
Deferred stock appreciation rights	950,000	900,000
Change in cash surrender value of life insurance	(16,255)	(12,827)
Change in contingent consideration payable	(1,268,800)	-0-
Changes in operating assets and liabilities:		
Accounts receivable	(583,395)	(3,542,242)
Contract assets	2,615,139	(1,053,977)
Inventories	(251,674)	2,084
Prepaid expenses and other	(708,019)	204,312
Other assets	75,000	-0-
Accounts payable and accrued expenses	(1,347,882)	3,952,195
Contract liabilities	(211,040)	272,153
Deferred stock appreciation rights	(590,980)	1,395
Net cash flows from operating activities	<u>21,895,140</u>	<u>29,187,383</u>
<b>Investing activities</b>		
Purchases of property and equipment	(16,314,196)	(11,541,346)
Advances under note receivable from stockholder	-0-	(12,983,837)
Payments under note receivable from stockholder	308,376	-0-
Business acquisitions	-0-	(8,918,476)
Proceeds from sale of assets	<u>3,900,234</u>	<u>1,855,210</u>
Net cash flows from investing activities	<u>(12,105,586)</u>	<u>(31,588,449)</u>
<b>Financing activities</b>		
Net borrowings (repayments) under lines of credit	10,225,447	(6,539,911)
Borrowings under long-term debt	-0-	27,378,287
Principal payments under long-term debt	(15,458,103)	(7,708,149)
Payments under contingent consideration payable	(500,000)	-0-
Dividends paid	<u>(9,370,297)</u>	<u>(5,472,659)</u>
Net cash flows from financing activities	<u>(15,102,953)</u>	<u>7,657,568</u>
Net change in cash	(5,313,399)	5,256,502
<b>Cash, beginning of year</b>	<u>8,309,203</u>	<u>3,052,701</u>
<b>Cash, end of year</b>	<u>\$ 2,995,804</u>	<u>\$ 8,309,203</u>

*See accompanying notes to consolidated financial statements.*

# THE TOWNSEND CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

The Townsend Corporation provides services to electric utilities and commercial businesses throughout the midwestern, northeastern, and southern United States. These services include right-of-way clearing, weed spraying, the installation and repair of transmission and distribution lines, the blending and sale of forestry-related chemicals, and inside electrical contracting and control panel manufacturing. It conducts these activities through several wholly-owned subsidiaries: Townsend Tree Service Company, LLC, N.G. Gilbert, Corp., TTC Real Estate, LLC, Kelley Electric, LLC, Eco-Pak, LLC, Reliable Equipment Leasing, LLC, Townsend Residential Services, LLC, Row-Care, LLC, Friendly Skies, LLC and Friendly Skies 2, LLC.

N.G. Gilbert Services, LLC is a limited liability company formed in 2015, that is 49% owned by N.G. Gilbert, Corp. and 51% owned by a stockholder of the Townsend Corporation. Management has determined that the Townsend Corporation is the primary beneficiary of N.G. Gilbert Services, LLC as it has the power to direct the activities of the variable interest entity that most significantly impact its economic performance. Accordingly, the assets, liabilities, equity, operations and cash flows of N.G. Gilbert Services, LLC, and certain disclosures related thereto, are included in these consolidated financial statements. N.G. Gilbert Services, LLC's activities include providing services to electric utilities and commercial businesses. Due to the fact that N.G. Gilbert Services, LLC is 49% owned by N.G. Gilbert, Corp., a wholly-owned subsidiary of the Townsend Corporation, and 51% owned by a stockholder of the Townsend Corporation, 51% of its equity and earnings will be shown in the consolidated financial statements as a non-controlling interest. All significant inter-company accounts and transactions are eliminated in consolidation. Below is a summary of N.G. Gilbert Services, LLC's financial information as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total assets	\$ 11,822,663	\$ 14,489,164
Total liabilities	11,797,449	14,466,129
Equity	25,214	23,035
Revenue	60,329,365	67,081,020
Expenses	60,327,187	67,067,135

The significant accounting policies followed by the Company in the preparation of its consolidated financial statements are summarized below:

#### Consolidation

The consolidated financial statements include the accounts of The Townsend Corporation, Townsend Tree Service Company, LLC, N.G. Gilbert, Corp., TTC Real Estate, LLC, Kelley Electric, LLC, Eco-Pak, LLC, Reliable Equipment Leasing, LLC, Townsend Residential Services, LLC, Row-

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## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Care, LLC, Friendly Skies, LLC, Friendly Skies 2, LLC and N.G. Gilbert Services, LLC, collectively referred to as the Company. All significant inter-company accounts and transactions are eliminated in consolidation.

#### Management's Estimates

Management uses estimates and assumptions in preparing the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

#### Revenue and Cost Recognition

The Company operates primarily under cost-plus and time and material contracts under which revenues are recognized as the work is performed. Accounts receivable represent amounts due from customers under cost-plus, time and material and fixed-price contracts and are expected to be collected in 2022. The Company also operates under a limited number of fixed-price contracts.

The Company recognizes contract revenues for financial reporting purposes over time, as performance obligations are satisfied, due to the continuous transfer of control to the customer. Construction contracts are generally accounted for as a single unit of account (a single performance obligation) and are not segmented between types of services. Progress toward completion of the Company's contracts is measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used because management considers cost incurred to be the best available measure of progress on contracts. Contracts may include bonuses or other consideration that depend on Company performance. For performance bonuses based on objective criteria, such as meeting specified deadlines, the Company estimates the amount of consideration to which it expects to be entitled based on historical experience for similar projects and recognizes that amount as revenue as progress is completed. If weather conditions, lack of historical experience for similar projects, or other factors create uncertainty about the amount to which the Company expects to be entitled, the Company limits its estimate to an amount that will not result in a significant reversal of revenue when the uncertainty is resolved. Performance bonuses based on subjective criteria, such as customer acceptance, are recognized only when earned.

Because of the inherent uncertainties in estimating the percentage of contract revenues earned and final contract revenues being subject to customer approval, it is at least reasonably possible that the Company's estimates of costs and revenues may significantly change in the near term.

Contract costs include all labor and related expenses, material, subcontract and other direct costs related to contract performance. Indirect construction costs, such as depreciation, other equipment costs and insurance, and general and administrative expenses are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such

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# THE TOWNSEND CORPORATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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losses are determined. Changes in estimated job profitability resulting from variable consideration (such as incentives for completing a contract early or on time, penalties for not completing a contract on time, claims for which the Company has enforceable rights, or contract modifications/change orders in which the scope of modification has been approved, but the price has not been determined or approved) are accounted for as changes in estimates in the current period, but limited to an amount that will not result in a significant reversal of revenue in future periods.

### Contract Assets and Liabilities

Contract assets represent revenues recognized in excess of amounts billed to customers. Contract liabilities represent amounts billed to customers in excess of revenues recognized. Contract assets also include the amount of unbilled receivables and retainage receivables.

### Practical Expedients

If the Company has a right to consideration from a customer in an amount that corresponds directly with the value of the Company's performance completed to date (such as a service contract in which the Company bills a fixed amount for each hour of service provided), the Company recognizes revenue in the amount to which it has a right to invoice for services performed. The Company does not adjust the contract price for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a service to a customer and when the customer pays for that service will be one year or less. The Company has made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by governmental authorities that are collected by the Company from its customers. The Company has also made an accounting policy election to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

### Warranties

The Company generally provides limited warranties for work performed under its contracts. The warranty periods typically extend for a limited duration following substantial completion of the Company's work on a project. Historically, warranty claims have not resulted in material costs incurred, and any estimated costs for warranties are included in the individual project cost estimates.

### Accounts Receivable

Accounts receivable - trade consist of amounts billed to customers at net invoice amounts in exchange for products sold or services performed. Delinquent receivables are written off based on credit evaluations and specific circumstances of the customer. The balance in accounts receivable at January 1, 2020, was \$36,403,203.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Management estimates an allowance for doubtful accounts receivable based on an evaluation of historical losses, current economic conditions, and other factors unique to the Company's customer base. There was no allowance recorded at December 31, 2021 and 2020.

#### Inventories

Inventories consist primarily of vegetation management chemicals and are stated at the lower of cost (first-in, first-out basis) or net realizable value.

#### Property and Equipment

Property and equipment are recorded at cost and include expenditures which substantially increase the useful lives of existing assets. Maintenance, repairs, and minor improvements are expensed as incurred.

The Company provides for depreciation of property and equipment using the straight-line method at rates designed to depreciate the cost of such assets over their estimated useful lives ranging from 3 to 40 years.

#### Deferred Stock Appreciation Rights

The Company maintains a non-qualified deferred compensation plan under which certain key members of management have been awarded stock appreciation rights. Each award specifies a grant value per share and contains a vesting schedule. The Company recognizes a liability related to this plan based on the difference between the current value, as defined, and the grant value. This liability is recognized based on the related vesting periods. Deferred compensation expense is recognized based on the change in the value of the Company's stock, as defined in the plan, and the vesting of the awards, and totaled \$950,000 and \$900,000 for the years ended December 31, 2021 and 2020, respectively. The unvested awards under this plan have a future value of \$568,415 based on the current value at December 31, 2021, and will vest on a weighted basis over the next 2 years. Forfeitures of future vested rights under the plan are recognized as they occur. The plan specifies payment terms as well as other terms and conditions related to the stock appreciation rights.

#### Contributions

During 2021 and 2020, the Company made contributions to The Gary V. and Janet R. Townsend Family Foundation, Inc. of \$1,000,000. Certain stockholders and officers of the Company comprise the board of directors of the foundation.

#### Income Taxes

The Townsend Corporation has elected, under the applicable provisions of the Internal Revenue Code, to be taxed as an "S" corporation. Under these provisions, net taxable income or loss is taxed

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## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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directly to the stockholders and not the Company. All activities of The Townsend Corporation's wholly-owned subsidiaries attribute to The Townsend Corporation for tax purposes and are incorporated in its tax returns for reporting purposes. Net taxable income or loss for N.G. Gilbert Services, LLC attribute to its owners for inclusion in their respective tax returns. Consequently, the accompanying consolidated financial statements do not include any provision for federal or state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Company and recognize a tax liability if the Company has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying consolidated financial statements. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Company has filed its federal and state income tax returns for periods through December 31, 2020. These income tax returns are generally open to examination by the relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions).

#### Subsequent Events

The Company has evaluated events or transactions occurring subsequent to the consolidated balance sheet date for recognition and disclosure in the accompanying consolidated financial statements through the date the consolidated financial statements were available to be issued, which is March 22, 2022.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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#### 2. CONTRACT ASSETS AND LIABILITIES

Information relative to the Company's contracts in progress, earnings thereon, and related billings at December 31, 2021 and 2020, is as follows:

	2021	2020
Costs incurred on uncompleted contracts	\$ 3,880,783	\$ 4,461,158
Estimated earnings on uncompleted contracts	<u>576,330</u>	<u>135,693</u>
	4,457,113	4,596,851
Less billings on uncompleted contracts	<u>3,757,080</u>	<u>4,209,225</u>
	<u>\$ 700,033</u>	<u>\$ 387,626</u>

Included in the accompanying consolidated balance sheets under the following captions:

Contract assets	\$ 1,135,093	\$ 1,033,726
Contract liabilities	<u>435,060</u>	<u>646,100</u>
	<u>\$ 700,033</u>	<u>\$ 387,626</u>

Contract assets also include retainage receivable of \$0 and \$39,543 and unbilled receivables of \$1,033,574 and \$3,710,537 at December 31, 2021 and 2020, respectively.

At January 1, 2020, the balance in contract assets was \$3,705,503, and the balance in contract liabilities \$296,623.

#### 3. CUSTOMER LISTS

Following is a summary of customer lists at December 31, 2021 and 2020:

	2021	2020
Customer lists	\$ 9,398,050	\$ 9,398,050
Accumulated amortization	<u>(3,791,219)</u>	<u>(1,945,859)</u>
	<u>\$ 5,606,831</u>	<u>\$ 7,452,191</u>

The Company is amortizing the customer lists over the useful lives of five and ten years, based on the nature of each acquisition's customer base. The Company recognized \$1,845,360 and \$1,700,527 of amortization expense in 2021 and 2020, respectively, related to the customer lists.

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## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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Estimated amortization expense over the next four years is as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 1,839,778
2023	1,811,110
2024	1,811,110
2025	<u>144,833</u>
	<u>\$ 5,606,831</u>

#### 4. NOTE RECEIVABLE FROM RELATED PARTY

The Company has a note receivable from a stockholder of \$12,675,461 and \$12,983,837 at December 31, 2021 and 2020, respectively, related to a stock recapitalization transaction in 2020. This note is repayable to the Company in quarterly installments of \$131,055 through January 2051, including interest at 1.31%. The note is secured by the stockholder's common stock.

#### 5. LINES OF CREDIT

The Company has three line of credit agreements with its bank with availability of \$15 million (revolving line), \$18 million (capital expenditures line), and \$1.5 million (revolving line). These lines of credit expire in June 2024. The lines of credit bear interest at 30 day LIBOR plus a variable rate based on the ratio of funded debt to EBITDAR, as defined. The applicable interest rate at December 31, 2021 was 1.90%. The Company had borrowings under these facilities of \$10,225,447 and \$0 at December 31, 2021 and 2020, respectively. Borrowings are subject to a borrowing base consisting of eligible accounts receivable, inventory, and a specified deposit account of the Company.

These lines of credit are secured by substantially all of the assets of the Company. The loan agreement relating to these lines of credit places restrictions on other indebtedness and requires the maintenance of certain financial ratios including debt to worth, minimum fixed charge coverage and maximum funded debt to EBITDAR. The Company has made a collateral assignment of leases to the bank as part of this agreement.

The agreement is subject to an annual commitment fee which varies from .10% to .15% based on the ratio of funded debt to EBITDAR calculated quarterly on the unused portion of the facility.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

#### 6. LONG-TERM DEBT

The Company's long-term debt consists of the following at December 31, 2021 and 2020:

Lender	Interest Structure	Interest Rate	Maturity	Monthly Payments	2021 Balance	2020 Balance
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	6/23	\$ 116,561	\$ 2,110,095	\$ 3,496,824
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	12/24	12,000	1,152,000	1,296,000
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	1/25	125,000	4,625,000	6,125,000
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	1/24	41,667	1,041,667	1,500,000
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	1/26	166,305	8,148,934	9,978,287
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	1/26	140,000	1,860,000	8,400,000
Financial institution	LIBOR + variable rate based on EBITDAR	1.90%	11/24	142,947	5,146,082	6,861,444
Financial institution - paid off					-0-	1,044,242
Individual - paid off					-0-	253,118
Individual - paid off					-0-	586,966
					24,083,778	39,541,881
Current maturities					8,933,749	10,470,103
					\$ 15,150,029	\$ 29,071,778

Annual maturities of long-term debt subsequent to December 31, 2021 are as follows:

Year	Amount
2022	\$ 8,933,749
2023	6,746,384
2024	6,116,683
2025	2,120,657
2026	166,305
	\$ 24,083,778

The Company's notes payable to bank are subject to the same security, terms and conditions as the lines of credit discussed in Note 5.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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#### 7. INTEREST RATE SWAP

The Company makes limited use of derivative financial instruments for the purpose of managing interest rate risk. In particular, a forward interest rate swap (which is designated as a cash flow hedge) is used to manage the risk associated with interest rates on variable-rate borrowings and to lower its overall borrowing costs.

The Company executed an interest rate swap agreement in 2019, which effectively fixed the interest rate on the \$8,433,858 of the Company's term debt, at 3.74% until November 2024. The Company is exposed to credit loss in the event of nonperformance by the counter party to this agreement, but nonperformance is not anticipated.

The Company entered into the derivative financial instrument to manage the risk that changes in interest rates will affect the amount of their future interest payments. The Company's interest rate swap contract is used to adjust the proportion of total debt that is subject to variable and fixed interest rates. Under an interest swap contract, the Company agrees to pay an amount equal to a specified fixed rate times a notional principal amount, and to receive in return an amount equal to a specified variable rate of interest times the same notional principal amount.

The contract is considered to be a hedge against changes in the amount of future cash flows associated with the Company's interest payments on variable rate debt obligations. The interest rate swap contract is not reflected at its fair value in the accompanying consolidated financial statements as its fair value is immaterial at December 31, 2021. The net effect of the agreement on the Company's operating results is that interest expense on the portion of variable rate debt subject to the rate swap contract is generally recorded based on fixed interest rates.

#### 8. SELF-FUNDED INSURANCE PLANS

The Company's medical, workman's compensation, automobile, and general liability insurance is covered through self-funded plans. The Company is liable for the first \$1,000,000 of claims per incident under the workman's compensation and general liability plans. The Company is liable for the first \$1,500,000 of claims per incident under the automobile liability plan. The Company is liable for variable amounts up to \$175,000 of annual claims per employee under different medical plans at December 31, 2021. The Company's aggregate stop-loss limit under the workman's compensation, automobile and general liability plans is \$40,000,000 at December 31, 2021. The Company does not have an aggregate stop-loss limit under the medical plan at December 31, 2021.

At December 31, 2021, the Company had not yet settled several claims made under the workman's compensation, automobile, and general liability plans. The Company has accrued \$4,143,295 and \$3,445,722 related to these unsettled claims as of December 31, 2021 and 2020, respectively. It is at least reasonably possible that the Company's estimate of this liability will change in the near term, and such change could be material.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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In conjunction with the Company's self-funded insurance plans, the Company's bank has issued letters of credit totaling \$8,320,347 at December 31, 2021 in favor of the insurance companies that expire in 2022. There were no amounts outstanding under these letters of credit at December 31, 2021.

#### 9. OPERATING LEASE COMMITMENTS

The Company leases vehicles, operating facilities, and various items of equipment under operating leases. These leases expire at various dates through 2026. Rental expense under all leases charged to operations in 2021 and 2020 was \$15,634,843 and \$15,711,609, respectively.

Future minimum lease payments under operating leases having initial terms in excess of one year at December 31, 2021 are as follows:

Year	Amount
2022	\$ 12,555,238
2023	10,475,564
2024	8,355,365
2025	4,098,202
2026	1,314,493
Thereafter	426,162
	<u>\$ 37,225,024</u>

#### 10. EMPLOYEE BENEFITS

##### Profit Sharing Plan

The Company maintains a 401(k) defined contribution profit sharing plan covering all employees who meet eligibility requirements as to age and length of employment and who elect to participate. The Company matches 25 percent of employee contributions up to 6 percent of compensation. The Company recognized expense related to this plan of \$211,623 and \$167,174 during 2021 and 2020, respectively.

##### Union Sponsored Plans

Substantially all of N.G. Gilbert Services, LLC's non-management employees are covered by collective bargaining agreements. The Company made contributions of \$7,618,602 and \$9,055,942 in 2021 and 2020, respectively, to collectively bargained, multi-employer health and welfare, defined contribution and defined benefit pension plans in accordance with provisions of labor

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## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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contracts, generally based on the number of hours worked. Under the Employee Retirement Income Security Act of 1974, as amended in 1980, a construction industry employer, upon withdrawing from a multi-employer pension plan, may only be obligated for its proportionate share of the plan's unfunded vested benefits if it continues to perform work in the same jurisdiction. The Company has no intention of withdrawing from the plans.

The Company contributes to a multiemployer defined benefit pension plan under the terms of collective bargaining agreements that cover its union-represented employees.

The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If the Company chooses to stop participating in some of its multiemployer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in this plan for the annual period ended December 31, 2021 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2021 is for the plan's year-end in 2020. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded and plans in the yellow zone are less than 80 percent funded. The "FIP/RP Status Pending/implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The column prior to contributions lists the expiration dates of the collective bargaining agreements to which the plan is subject.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Information in respect of significant multi-employer plans providing defined pension benefits in which the Company participates is shown in the following table:

Name of Plan	Employer ID Number/ Plan Number	Certified Zone Status		Improvement or Rehabilitation Plan		Surcharge Paid	Expiration Date of Collective Bargaining Agreements	Contributions Made	
		2021	2020	Plan	Plan			2021	2020
National Electrical Benefit Fund	53-0181657/001	Green	Green	Not Applicable	Not Applicable	Not Applicable	Various expiration dates ranging from 4/2/22 to 5/4/25	\$ 465,453	\$ 475,576

The Company's contributions to the plan do not represent more than 5% of total plan contributions in 2021 or 2020. The decrease in contributions was due to a decrease in hours worked as opposed to a change in contribution rates.

#### 11. CONCENTRATIONS OF CREDIT RISK

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

The Company had one customer which accounted for 10% of contract revenues in 2021. The Company had 2 customers which accounted for 22% of contract revenues in 2020. The Company had one customer which accounted for 15% of accounts receivable at December 31, 2021. The Company had 2 customers which accounted for 27% of accounts receivable at December 31, 2020.

#### 12. RECENTLY ISSUED ACCOUNTING STANDARD

On February 25, 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This new standard, which the Company is not required to adopt until its year ending December 31, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their balance sheet the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's balance sheet.

The Company is presently evaluating the effects that this ASU will have on its future consolidated financial statements, including related disclosures.



## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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#### 13. SUPPLEMENTAL CASH FLOW INFORMATION

Following are supplemental cash flow disclosures as of and for the years ended December 31, 2021 and 2020:

	2021	2020
<b>Supplemental disclosures of cash flow information</b>		
Cash paid during the year for interest	\$ 768,226	\$ 1,109,200
<b>Supplemental disclosures of non-cash investing and financing activities</b>		
Property and equipment additions included in accounts payable	\$ 101,400	\$ 314,972
Accrued dividends	\$ -0-	\$ 4,279,596
Long-term debt issued for business acquisition	\$ -0-	\$ 2,218,800
Contingent consideration issued for business acquisition	\$ -0-	\$ 3,718,800

#### 14. BUSINESS COMBINATIONS

On January 2, 2020, the Company acquired certain assets of McAllister Utilities, LLC. As part of this acquisition, the Company agreed to pay contingent consideration to the sellers based on future performance, as defined in the asset purchase agreement.

The Company made this acquisition to expand its service area and to capture the synergies available in a larger, combined organization. Total consideration for this purchase was \$12,437,600 which comprised a cash down payment of \$7,500,000, a seller note for \$1,718,800, and \$3,218,800 in estimated contingent consideration payable (over up to a four year period) based on specified EBITDA levels. Costs related to the acquisition, which were immaterial, were charged to operations in 2019 in the consolidated statement of operations. In 2021, the Company changed its estimate of the contingent consideration payable and recognized a gain of \$1,268,800 based on the update to the revised estimate.

The following assets were recognized in the acquisition (at estimated fair value):

Equipment	\$ 5,120,050
Customer list	<u>7,317,550</u>
	<u>\$ 12,437,600</u>

On April 24, 2020, the Company acquired certain assets of J. Butz, Inc. dba Landscapes Unlimited. As part of this acquisition, the Company agreed to pay contingent consideration to the sellers based on future performance, as defined in the asset purchase agreement.

## THE TOWNSEND CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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The Company made this acquisition to expand its residential services division and to capture the synergies available in a larger, combined organization. Total consideration for this purchase was \$2,418,476 which comprised a cash down payment of \$1,418,476, a seller note for \$500,000, and \$500,000 in estimated contingent consideration payable (after a one year period) based on specified revenue levels. Costs related to the acquisition, which were immaterial, were charged to operations in 2020 in the consolidated statement of operations.

The following assets and liabilities were recognized in the acquisition (at estimated fair value):

Equipment	\$	200,000
Land and buildings		558,280
Inventory		29,194
Contract assets		24,326
Contract liabilities		(77,324)
Other		(54,000)
Customer list		<u>1,738,000</u>
	\$	<u>2,418,476</u>



Our company is involved in litigation, claims, liens and judgments which occur in the ordinary course of our business. However, our company is not subject to any jurisdiction, preliminary restraining order or other similar decree of a court of competent jurisdiction, claim or lien which would prohibit or in any way negatively affect our ability to enter into a contract or perform any of the work contemplated by a Request for Proposal.

In addition, there is no litigation or claim no commenced or threatened against our company nor any proceeding (i) involving any challenge to, or seeking damages or other relief in connection with, anything contemplated by the work contemplated by a Request for Proposal, or (ii) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with our performing any work contemplated by a Request for Proposal.

	<b>INITIAL Violation Type:</b>	<b>Brief Description:</b>	<b>Current Status:</b>	<b>Penalty Paid</b>	<b>Notes:</b>
	Serious	Failure to furnish place of employment free from recognized hazards - a person in an aerial lift was tossed out when it overturned.	Challenged - Negotiating with OSHA to amend and abate		UNDER CHALLENGE
(ii)	Serious	Employer did not provide aerial lift training prior to employee operation	Challenged - Negotiating with OSHA to amend and abate		UNDER CHALLENGE
l)	Serious	Employer did not provide PPE training prior to employee use	Challenged - Negotiating with OSHA to amend and abate		UNDER CHALLENGE



U.S. DOT# 173584 has no current for-hire operating authority with FMCSA.

**THE TOWNSEND CORPORATION**

**DBA: TOWNSEND TREE SERVICE MCCALLISTER UTILITIES LANDSCAPES UNLIMITED**

U.S. DOT#: 173584  
 Address: 1015 W JACKSON STREET  
 MUNCIE, IN 47305  
 Number of Vehicles: 772  
 Number of Drivers: 304  
 Number of Inspections: 26

**Safety Rating & OOS Rates**

(As of 08/22/2022 updated daily from SAFER)

**SATISFACTORY**  
 (Rating Date: 10/21/2010)

**Out of Service Rates**

Type	OOS %	National Avg %
Vehicle	9.5	21.4
Driver	0.0	6.0
Hazmat		4.5

**Licensing and Insurance**

(As of 08/22/2022 updated hourly from L&I)

Active For-Hire Authority

Type	Yes/No MC#/MX#
Property	No
Passenger	No
Household Goods	No
Broker	No

**BASIC Status** (Motor Carrier View) ?

Behavior Analysis & Safety Improvement Categories (BASICS)

Based on a 24-month record ending July 29, 2022



Unsafe Driving



Crash Indicator



Hours-of-Service Compliance



Vehicle Maintenance



Controlled Substances and Alcohol



Hazardous Materials Compliance



Driver Fitness



Insurance and Other

**On-Road Performance**

0.01 Measure	0 Measure	0.15 Measure	3.21 Measure	0 Measure	0 Measure	0 Measure	
0% Percentile	1% Percentile	Less than 3 driver inspections with violations	44% Percentile	0% Percentile	No HM placardable vehicle inspections	0% Percentile	N/A

**On-Road Performance Detail**

Driver Inspections with Unsafe Driving Violations: 5	Crashes Included in SMS: 11 Safety Event Group: 9-26	Driver Inspections: 26 with HOS Compliance	Vehicle Inspections: 22 with Vehicle Maint.	Driver Inspections: 26 with Drugs/Alcohol	HM Placardable Vehicle Inspections: 0	Driver Inspections: 26 with Driver Fitness	N/A
--	---	--	---	---	---------------------------------------	--	-----

<b>Safety Event Group:</b> 5-8 driver inspections with Unsafe Driving Violations	Crashes Avg. PU × UF: 2,538 <b>Segment:</b> Straight Carrier	<b>Violations:</b> 1 <b>Safety Event Group:</b> 21-100 relevant driver inspections	<b>Violations:</b> 7 <b>Safety Event Group:</b> 21-100 relevant vehicle inspections	<b>Violations:</b> 0 <b>Safety Event Group:</b> No Safety Event Grouping	<b>with HM Compliance Violations:</b> 0 <b>Safety Event Group:</b> No Safety Event Grouping	<b>Violations:</b> 0 <b>Safety Event Group:</b> 21-100 relevant driver inspections
Avg. PU × UF: 2,538						
<b>Segment:</b> Straight Carrier						

### Investigation Results

No Acute/Critical Violations Discovered	N/A	No Acute/Critical Violations Discovered	No Acute/Critical Violations Discovered	No Acute/Critical Violations Discovered	No Acute/Critical Violations Discovered	No Acute/Critical Violations Discovered	No Acute/Critical Violations Discovered
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Denotes this carrier exceeds the FMCSA Intervention **Threshold** relative to its safety event grouping based upon roadside data and/or has been cited with one or more Acute/Critical Violations within the past 12 months during an investigation. Therefore, this carrier may be prioritized for an intervention action and roadside inspection.

### VIOLATION SUMMARY

Violations: 18

Violations	Description	# Violations	# OOS Violations	Violation Severity Weight	BASIC
392.16	Failing to use seat belt while operating a CMV	1	0	7	Unsafe Driving
392.2C	Failure to obey traffic control device	1	0	5	Unsafe Driving
392.2-SLLS2	State/Local Laws - Speeding 6-10 miles per hour over the speed limit.	1	0	4	Unsafe Driving
392.2-SLLS3	State/Local Laws - Speeding 11-14 miles per hour over the speed limit.	2	0	7	Unsafe Driving
395.24C2III	Driver failed to manually add shipping document number	1	0	1	HOS Compliance
395.30B1	Driver failed to certify the accuracy of the information gathered by the ELD	1	0	1	HOS Compliance
392.7(a)	Driver failing to conduct pre-trip inspection	1	0	4	Vehicle Maint.
393.203	Cab/body parts requirements violations	1	0	2	Vehicle Maint.
393.55(c)(2)	CMV other than truck-tractor manufactured on or after March 1, 1998 not equipped with an antilock brake system.	1	0	4	Vehicle Maint.
393.60(d)	Glazing permits < 70% of light	1	0	1	Vehicle Maint.
393.75(a)(3)	Tire-flat and/or audible air leak	2	2	8	Vehicle Maint.
393.78	Windshield wipers inoperative/defective	1	0	1	Vehicle Maint.

393.9(a)	Inoperative Brake Lamps	1	0	6	Vehicle Maint.
393.9T	Inoperable tail lamp	1	0	6	Vehicle Maint.
393.9TS	Inoperative turn signal	1	1	6	Vehicle Maint.
396.17(c)	Operating a CMV without proof of a periodic inspection	1	0	4	Vehicle Maint.

## INSPECTION HISTORY

Total Inspections: 26

Report			Driver			Vehicle			Measure	
Inspection Date	Number	State	Name	License Number	License State	Plate Number	Plate State	Type	Severity Weight (SW)	Time Weight (TiW)
6/14/2022	GA0362003634	GA	LATHAM, RICKY	013630249	GA	3009726	IN	STRAIGHT TRUCK		3
6/8/2022	KYCV43232403	KY	CONLEY, TREVOR	4369673483	IN	2614131	IN	TRUCK TRACTOR		3
Vehicle Maint. Violation: 393.75(a)(3) Tire-flat and/or audible air leak (OOS)									8 + 2 (OOS)	
4/8/2022	IN4415007123	IN	CONLEY, TREVOR	4369673483	IN	2614131	IN	TRUCK TRACTOR		3
Unsafe Driving Violation: 392.2-SLLS3 State/Local Laws - Speeding 11-14 miles per hour over the speed limit.									7	
HOS Compliance Violation: 395.24C2III Driver failed to manually add shipping document number									1	
HOS Compliance Violation: 395.30B1 Driver failed to certify the accuracy of the information gathered by the ELD									1	
1/31/2022	IN5476019517	IN	FLUHARTY, HARRY	8944196191	IN	2610297	IN	STRAIGHT TRUCK		3
1/3/2022	ALDWCV002014	AL	VAZQUEZ, LUIS	8675498	AL	2584138	IL	STRAIGHT TRUCK		2
Vehicle Maint. Violation: 393.55(c)(2) CMV other than truck-tractor manufactured on or after March 1, 1998 not equipped with an antilock brake system.									4	
Vehicle Maint. Violation: 393.75(a)(3) Tire-flat and/or audible air leak (OOS)									8 + 2 (OOS)	
Vehicle Maint. Violation: 393.9(a) Inoperative Brake Lamps									6	
11/29/2021	KYCV43781512	KY	BUCKNER, RICKY	B07565668	KY	2805281	IN	STRAIGHT TRUCK		2
11/12/2021	MOET03004616	MO	TORMINO, CHRISTOPHER	S144009002	MO	2854603	IN	STRAIGHT TRUCK		2
Vehicle Maint. Violation: 393.203 Cab/body parts requirements violations									2	
10/8/2021	KYCV42519679	KY	MASON, TROY	9370069774	IN	TK405MPJ	IN	TRUCK TRACTOR		2
Vehicle Maint. Violation: 393.60(d) Glazing permits < 70% of light									1	
Vehicle Maint. Violation: 396.17(c) Operating a CMV without proof of a periodic inspection									4	
6/16/2021	KYCV42951104	KY	TURNER, ANTHONY	T93277326	KY	2585316	IN	STRAIGHT TRUCK		1
5/24/2021	VA5910005190	VA	SHEPHERD, RICKY	120088092	TN	2581299	IN	STRAIGHT TRUCK		1
4/30/2021	GA1326001609	GA	MEEKS, JEFFERY	059248759	GA	N/A	IN	STRAIGHT TRUCK		1
3/9/2021	WV4709000108	WV	ROMERO ROSALES, NELSON	A60472347	VA	3012444	IN	STRAIGHT TRUCK		1
Unsafe Driving Violation: 392.2-SLLS3 State/Local Laws - Speeding 11-14 miles per hour over the speed limit.									7	
3/2/2021	GA0396001585	GA	GOSNELL, JONATHAN	060285700	GA	2775958	IN	STRAIGHT TRUCK		1
2/9/2021	VA5910005040	VA	ADKINS, ROBERT	E784381	WV	TK592NCE	IN	STRAIGHT TRUCK		1

Report			Driver			Vehicle			Measure	
Inspection Date	Number	State	Name	License Number	License State	Plate Number	Plate State	Type	Severity Weight (SW)	Time Weight (TiW)
2/2/2021	MO0224000684	MO	MORGAN, MICHAEL	T980540370	MO	2581389	IN	STRAIGHT TRUCK		1
1/6/2021	MOGT02001675	MO	HARDING, JEREMY	P093275004	MO	2585413	IN	STRAIGHT TRUCK		1
1/6/2021	MO0754001440	MO	STANDLEY, RICHARD	V093349003	MO	2582167	IN	STRAIGHT TRUCK		1
10/20/2020	GA1357001290	GA	MATKOVIC, DANIEL	060087413	GA	3009733	IN	STRAIGHT TRUCK		1
Vehicle Maint. Violation: 392.7(a) Driver failing to conduct pre-trip inspection									4	
Vehicle Maint. Violation: 393.9T Inoperable tail lamp									6	
9/24/2020	GA0116002486	GA	TENCH, SHANNON	036967947	GA	3009752	IN	STRAIGHT TRUCK		1
9/10/2020	TNTBVB001231	TN	BAILEY, VINCENT	B95029639	KY	2585412	IN	STRAIGHT TRUCK		1
9/4/2020	IN5476017932	IN	ARVIN II, TROY	10009068	KY	2579760	IN	STRAIGHT TRUCK		1
Unsafe Driving Violation: 392.16 Failing to use seat belt while operating a CMV									7	
8/25/2020	GA1345001650	GA	DOZIER, TERRANCE	10133429	AL	2774879	IN	TRUCK TRACTOR		1
8/18/2020	PAD304023103	PA	COAST, ALAN	26773147	PA	2671916	IN	STRAIGHT TRUCK		1
8/11/2020	IN8101005511	IN	JOHNS, MATTHEW	1760468166	IN	2585266	IN	STRAIGHT TRUCK		1
Unsafe Driving Violation: 392.2C Failure to obey traffic control device									5	
Vehicle Maint. Violation: 393.78 Windshield wipers inoperative/defective									1	
8/5/2020	GA1369000615	GA	SMITH, JAMES	059279987	GA	2584199	IN	STRAIGHT TRUCK		1
Unsafe Driving Violation: 392.2-SLLS2 State/Local Laws - Speeding 6-10 miles per hour over the speed limit.									4	
8/4/2020	KYCV43730903	KY	SMALLWOOD, MONROE	S93245560	KY	2585221	IN	TRUCK TRACTOR		1
Vehicle Maint. Violation: 393.9TS Inoperative turn signal (OOS)									6 + 2 (OOS)	

**REVIEWED-NOT PREVENTABLE CRASH ACTIVITY (VEHICLES INVOLVED IN CRASHES)** Total Number of Crashes: 0

This carrier has no crashes to display.

**CRASHES INCLUDED IN SMS (VEHICLES INVOLVED IN CRASHES)** Total Number of Crashes: 11

Report			Driver			Vehicle		Crash				Measure = Sum of the Total Weight (TotW)		
Date	Number	State	Name	License Number	License State	Plate Number	Plate State	Fatal	Inj.	Tow.	HM	Severity Weight (SW)	Time Weight (TiW)	Total Weight (TotW)
3/11/2022	NJ0022103684	NJ	NIELSEN, DANIEL	N41741538205632	NJ	2982248	IN	0	1	Yes	No	2	3	6
11/16/2021	NJ0021147599	NJ	FELIZ-PEREZ, MAXIMO	683538673	NY	2611684	IN	0	1	Yes	No	2	2	4
11/12/2021	MO00000094159	MO	TORMINO, CHRISTOPHER	S144009002	MO	2854603	IN	1	3	Yes	No	2	2	4



Report			Driver			Vehicle		Crash				Measure = Sum of the Total Weight (TotW)		
Date	Number	State	Name	License Number	License State	Plate Number	Plate State	Fatal	Inj.	Tow.	HM	Severity Weight (SW)	Time Weight (TiW)	Total Weight (TotW)
9/7/2021	IN0903870678	IN	EARL, JOSHUA	0090498025	IN	2585295	IN	0	0	Yes	No	1	2	2
7/28/2021	GA0008158711	GA	MARTIN, ANTHONY	049781644	GA	2776244	IN	0	0	Yes	No	1	1	1
4/19/2021	PA103515300X	PA	BROWN, LEO	22836237	PA		UK	0	0	Yes	No	1	1	1
1/14/2021	NJ0021106515	NJ	HOCKIN JR, JOSEPH	H60574108308664	NJ	2949485	IN	0	0	Yes	No	1	1	1
9/9/2020	GA0007768567	GA	MURRAY, ZACHARY	058036794	GA	2773603	IN	0	0	Yes	No	1	1	1
8/26/2020	IN0903642457	IN	WARREN, LARRY	8907644252	IN	2585294	IN	0	0	Yes	No	1	1	1
8/10/2020	IN0903637631	IN	PARKED,			2585212	IN	0	0	Yes	No	1	1	1
7/29/2020	IN0903628046	IN	LEWIS, STEPHEN	1760204437	IN	2805516	IN	0	1	Yes	No	2	1	2

**INVESTIGATION RESULTS**

Acute/Critical Violations: 0

This carrier has no Acute/Critical violations to display.

**Summary of Activities**

The summary includes information on the 5 most recent investigations and 24 months of inspections and crash history.

Most Recent Investigation: 2/28/2022  
(Non-Ratable Review)

Total Inspections: 26

Total Inspections without  
Violations used in SMS: 15

Total Inspections with  
Violations used in SMS: 11

Total Crashes\* : 11

\*Crashes listed represent a motor carrier's involvement in **reportable crashes**, regardless of the carrier's or driver's role in the crash. [Continue for details.](#)

**Carrier Registration**

Subject to General Threshold

**Inspection Selection System**

(As of 08/22/2022 updated daily from [ISS](#))

ISS Inspection Score: 39

ISS Recommendation: Pass

Basis of Recommendation: Safety

**Enforcement Cases**

(Six years as of 08/22/2022 updated monthly from [FMCSA](#))


CLOSED DATE CASE #


10/30/2019 IN-2020-0002-US1622

**USE OF SMS DATA/INFORMATION****FAST Act of 2015:**

Readers should not draw conclusions about a carrier's overall safety condition simply based on the data displayed in this system. Unless a motor carrier has received an UNSATISFACTORY safety rating under part 385 of title 49, Code of Federal Regulations, or has otherwise been ordered to discontinue operations by the Federal Motor Carrier Safety Administration, it is authorized to operate on the Nation's roadways.

**Safety Measurement System:**

The data in the Safety Measurement System (SMS) is performance data used by the Agency and Enforcement Community. A  symbol, based on that data, indicates that FMCSA may prioritize a motor carrier for further monitoring.

The  symbol is not intended to imply any federal safety rating of the carrier pursuant to 49 USC 31144. Readers should not draw conclusions about a carrier's overall safety condition simply based on the data displayed in this system. Unless a motor carrier in the SMS has received an UNSATISFACTORY safety rating pursuant to 49 CFR Part 385, or has otherwise been ordered to discontinue operations by the FMCSA, it is authorized to operate on the nation's roadways.

Motor carrier safety ratings are available at <http://safer.fmcsa.dot.gov> and motor carrier licensing and insurance status are available at <http://li-public.fmcsa.dot.gov/>.

USDOT Number  MC/MX Number  Name

Enter Value:

## Company Snapshot

THE TOWNSEND CORPORATION

USDOT Number: 173584

[ID/Operations](#) | [Inspections/Crashes In US](#) | [Inspections/Crashes In Canada](#) | [Safety Rating](#)

**Carriers:** If you would like to update the following ID/Operations information, please complete and submit form [MCS-150](#) which can be obtained [online](#) or from your State FMCSA office. If you would like to challenge the accuracy of your company's safety data, you can do so using FMCSA's [DataQs](#) system.

**Carrier and other users:** FMCSA provides the Company Safety Profile (CSP) to motor carriers and the general public interested in obtaining greater detail on a particular motor carrier's safety performance than what is captured in the Company Snapshot. To obtain a CSP please visit the [CSP order page](#) or call (800)832-5660 or (703)280-4001 (Fee Required).

For help on the explanation of individual data fields, click on any field name or for help of a general nature go to [SAFER General Help](#).

The information below reflects the content of the FMCSA management information systems as of 08/22/2022.

Other Information for this Carrier

[SMS Results](#)

[Licensing & Insurance](#)

<b>Entity Type:</b>	CARRIER		
<b>Operating Status:</b>	ACTIVE	<b>Out of Service Date:</b>	None
<b>Legal Name:</b>	THE TOWNSEND CORPORATION		
<b>DBA Name:</b>	TOWNSEND TREE SERVICE MCCALLISTER UTILITIES LANDSCAPES UNLIMITED		
<b>Physical Address:</b>	1015 W JACKSON STREET MUNCIE, IN 47305		
<b>Phone:</b>	(800) 428-8128		
<b>Mailing Address:</b>	1015 W JACKSON STREET MUNCIE, IN 47305		
<b>USDOT Number:</b>	173584	<b>State Carrier ID Number:</b>	
<b>MC/MX/FF Number(s):</b>		<b>DUNS Number:</b>	--
<b>Power Units:</b>	772	<b>Drivers:</b>	304
<b>MCS-150 Form Date:</b>	04/15/2022	<b>MCS-150 Mileage (Year):</b>	80,288,000 (2022)
<b>Operation Classification:</b>			
	Auth. For Hire Exempt For Hire <input checked="" type="checkbox"/> Private(Property) Priv. Pass. (Business)	Priv. Pass.(Non-business) Migrant U.S. Mail Fed. Gov't	State Gov't Local Gov't Indian Nation
<b>Carrier Operation:</b>			
	<input checked="" type="checkbox"/> Interstate	Intrastate Only (HM)	Intrastate Only (Non-HM)
<b>Cargo Carried:</b>			
	General Freight Household Goods Metal: sheets, coils, rolls Motor Vehicles Drive/Tow away Logs, Poles, Beams, Lumber Building Materials Mobile Homes <input checked="" type="checkbox"/> Machinery, Large Objects Fresh Produce	Liquids/Gases Intermodal Cont. Passengers Oilfield Equipment Livestock Grain, Feed, Hay Coal/Coke Meat Garbage/Refuse US Mail	Chemicals Commodities Dry Bulk Refrigerated Food Beverages Paper Products Utilities Agricultural/Farm Supplies Construction Water Well

[ID/Operations](#) | [Inspections/Crashes In US](#) | [Inspections/Crashes In Canada](#) | [Safety Rating](#)

SAFER Web - Company Snapshot THE TOWNSEND CORPORATION  
US Inspection results for 24 months prior to: 08/22/2022

Total Inspections: 23  
Total IEP Inspections: 0

**Note:** Total inspections may be less than the sum of vehicle, driver, and hazmat inspections. Go to [Inspections Help](#) for further information.

<u>Inspections:</u>				
Inspection Type	Vehicle	Driver	Hazmat	IEP
Inspections	21	23	0	0
Out of Service	2	0	0	0
Out of Service %	9.5%	0%	%	0%
Nat'l Average % as of DATE 07/29/2022*	21.6%	6.2%	4.46%	N/A

\*OOS rates calculated based on the most recent 24 months of inspection data per the latest monthly SAFER Snapshot.

Crashes reported to FMCSA by states for 24 months prior to: 08/22/2022

**Note:** Crashes listed represent a motor carrier's involvement in reportable crashes, without any determination as to responsibility.

<u>Crashes:</u>				
Type	Fatal	Injury	Tow	Total
Crashes	1	2	0	11

[ID/Operations](#) | [Inspections/Crashes In US](#) | [Inspections/Crashes In Canada](#) | [Safety Rating](#)

Canadian Inspection results for 24 months prior to: 08/22/2022

Total inspections: 0

**Note:** Total inspections may be less than the sum of vehicle and driver inspections. Go to [Inspections Help](#) for further information.

<u>Inspections:</u>		
Inspection Type	Vehicle	Driver
Inspections	0	0
Out of Service	0	0
Out of Service %	0%	0%

Crashes results for 24 months prior to: 08/22/2022

**Note:** Crashes listed represent a motor carrier's involvement in reportable crashes, without any determination as to responsibility.

<u>Crashes:</u>				
Type	Fatal	Injury	Tow	Total
Crashes	0	0	0	0

[ID/Operations](#) | [Inspections/Crashes In US](#) | [Inspections/Crashes In Canada](#) | [Safety Rating](#)

*The Federal safety rating does not necessarily reflect the safety of the carrier when operating in intrastate commerce.*

Carrier Safety Rating:

The rating below is current as of: 08/22/2022

Review Information:

Rating Date:	10/21/2010	Review Date:	02/28/2022
Rating:	Satisfactory	Type:	Non-Ratable





**ADDITIONAL REMARKS SCHEDULE**

AGENCY Bowen, Miclette & Britt Insurance Agency, LLC		NAMED INSURED Townsend Tree Service Company, LLC 1015 W. Jackson Street Muncie, IN 47305	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

available by emailing: [certificates@bmbinc.com](mailto:certificates@bmbinc.com)

When required by written contract, those parties listed in said contract, including the certificate holder, are added as an additional insured with respect to the general liability, auto liability and excess liability as afforded by the policy and/or endorsements.

When required by written contract, waiver of subrogation, with respect to the general liability, auto liability, worker's compensation and excess liability is granted to those parties listed in said contract, including the certificate holder.

The general liability, auto liability, and excess liability certified herein are primary and non-contributory to other insurance available, but only to the extent required by written contract.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. **Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

### SCHEDULE

Name Of Additional Insured Person(s)  
Or Organization(s):

All persons or organizations with whom you have entered into a written contract or agreement, prior to an "occurrence" or offense, to provide additional insured status.

Location(s) Of Covered Operations

All locations as required by a written contract or agreement entered into prior to an "occurrence" or offense.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
All persons or organizations with whom you have entered into a written contract or agreement, prior to an "occurrence" or offense, to provide additional insured status.	All locations as required by a written contract or agreement entered into prior to an "occurrence" or offense.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



**2022 Townsend Tree Service Bid**



April 5, 2022

Mr. Jeff Williams  
Jackson Purchase Energy Corporation  
6525 US Hwy 60 W  
Paducah, KY 42001

Re: 2022 Herbicide Project

Dear Mr. Williams,

Townsend Tree Service Company appreciates being afforded the opportunity to bid on the above referenced project. In addition to our pricing, please find enclosed a USB Drive containing all prequalification information.

**We have a clarification listed below:**

**\*\*Every 20 Poles/Guys that are treated will be considered an acre.**

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness, and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, every day.

If you have any questions or need further information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

A handwritten signature in black ink that reads "J. Michael McClure". The signature is written in a cursive, flowing style.

J. Michael McClure  
CFO



**JACKSON PURCHASE ENERGY**  
*A Member-Owned Cooperative*

## **Herbicide Application Scope and Specifications**

**2022**

## Townsend Tree Service Company LLC

### 1. Purpose

Jackson Purchase Energy Cooperative (JPEC) is seeking one or more qualified Contractor(s) (Contractor) to perform vegetation management as described in section 2 for JPEC's distribution system for 2022. The successful Contractor(s) will have the opportunity for annual renewals based on successful performance and price.

### 2. Scope of work

- A. The Contractor will furnish all supervision, labor, tools, equipment, and materials and will perform in a good, proper, workmanlike manner. The work will be performed in areas designated by the Company.
- B. The quality of the work shall be checked by a Company representative and the Contractor's General Supervisor at least monthly or more frequently if requested by the company. The Contractor agrees to provide a minimum of 90% control of unwanted vegetation for one (1) year within the designated right-of-way or retreat those areas at no cost to the JPEC.
- C. Existing right-of-way shall be cleared to the width specified by the Company. Forty (40) feet for three-phase and thirty (30) feet for single phase.

Contractor is accountable for:

- Quality Assurance: Contractor must complete all quality assurance activities including written certification of quality assurance per circuit. JPEC will conduct quality control inspections and issue a quality deficiency notice, as appropriate, on circuit miles completed and submitted by the Contractor within two weeks. Contractor must complete all quality control rework identified by JPEC within one week of the notice.
- Resolve complaints of any nature received through the Cooperative or directly from property owners, agents, or public authorities shall receive immediate attention and that all efforts shall be made for a prompt adjustment. All complaints, and any action taken by the Contractor in connection with such complaints, shall be reported to the Cooperative in writing.
- That personnel attire and equipment shall be clearly marked with company logo. The Contractor shall maintain its tools and equipment in good working order and with as neat an appearance as possible considering the work being performed.

## Townsend Tree Service Company LLC

- Install and maintain the necessary guards and protective devices at locations where work is being performed to prevent accidents to the general public or damage to the property and personnel of the Cooperative or the general public.

It is understood by and between the parties that the electric circuits of the Cooperative are to continue in normal operation during this work, and that Contractor is to provide and use all protective equipment necessary for the protection of Contractor's employees and to guard against interfering with the normal operation of said circuits.

### 3. Schedule

For herbicide application work, the successful Contractor(s) must initiate personnel and equipment mobilization on JPEC system no later than May 1, 2022. The entire scope of work must pass final inspection no later than December 31<sup>st</sup> of each year.

### 4. Reporting

The Contractor shall prepare and forward to JPEC a daily report on crew location, personnel in field and any problems encountered the day before.

The Contractor shall prepare and forward to JPEC a written weekly report outlining work performed the previous week, miles treated, problems encountered and resolved, time lost due to inclement weather, issues requiring the JPEC's input and/or assistance, etc. Any event upon which the Contractor intends to rely on for an extension of time and/or change order to the Contract shall be clearly and completely described in the first report issued after said event occurs. Failure to notify JPEC of such an event within ten (10) calendar days of its occurrence will negate any possibility of it being used to support a change to the Contract.

The Contractor shall prepare and forward to JPEC a monthly written report that details the safety performance of the crew(s) while on JPEC's system. This performance must include information about performance, trainings, company audits, job briefing data, etc.

### 5. Work Time

Normal working days will be Monday through Saturday. Contractor must coordinate their standard working schedule with JPEC.

## Townsend Tree Service Company LLC

### 6. Debris Disposal

The disposal and associated cost will be the full responsibility of Contractor and will be performed in accordance with all local, state, and federal regulations. JPEC will work with Contractor in identifying debris disposal opportunities

### 7. Invoicing

Within the first fifteen (15) days of each calendar month, JPEC shall make partial payment to the Contractor for work accomplished and audited during the preceding calendar month on the basis of a statement of completed work furnished and certified to by the Contractor and approved by JPEC solely for the purposes of payment: Provided, however, that such approval by JPEC shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such statement approved during the clearing of the feeders associated with a given substation shall be paid by JPEC to the Contractor prior to completion of all work for that substation. Upon completion of the clearing of a substation, the Contractor shall prepare a final statement and JPEC agrees to pay the remaining ten percent (10%) of the charges upon inspection of total completion.

### 8. Proposal Submission Deadline

Bids are due by 2:00 CST., April 1, 2022 . To be considered, all documentation must be received by the deadline. Please place bids and bidder's qualification document in a SEALED envelope marked "2022 JPEC HERBICIDE BID ENCLOSED". Proposals will not be received by email. Please address proposals to:

Jeff Williams  
CFO – VP Finance, Accounting & Member Services  
Jackson Purchase Energy Corporation  
6525 US HWY 60 W  
Paducah, KY 42001

### 9. Pricing

JPEC is requesting pricing for Contractor to perform vegetation management control on the electric distribution lines.

Prospective bidders shall also submit answers to the enclosed safety questionnaire as part of JPEC selection process.

## Townsend Tree Service Company LLC

Substation	Circuit Name	Circuit Number	Bid Per Acre **
Burna	Hampton	14214	\$376.00
Burna	Salem	14244	\$376.00
Burna	Smithland	14254	\$376.00
Lovelandville	Blandville	49214	\$376.00
Lovelandville	Lovelandville	49224	\$376.00
Lovelandville	Cunningham	49234	\$376.00
Krebs	Clinton	50234	\$376.00
New York	Wickliffe	47244	\$376.00
Little Union	Airport	39214	\$376.00

**\*Please Note: JPEC strongly recommends an on-site field assessment of the scope of work. JPEC will provide contractor with electronic copies of circuit maps upon request.**

**\*\*Every 20 Poles/Guys that are treated will be considered an acre.**

JPEC has the right to accept any or all bids and may have more than one contractor performing work on the system.

### 10. Selection Criteria

Final selections will be based on these performance areas:

- Cost
- Safety
- Work History
- Quality

### 11. Process for Inquiries and/or Clarification

Please direct any questions and/or comments in writing via email to Tony Martin ([tony.martin@jpenenergy.com](mailto:tony.martin@jpenenergy.com)). Formal responses to questions will be delivered via email.





## BIDDER'S QUALIFICATION DOCUMENT

4. The Bidder will make available for use in connection with the proposed construction the following construction plant and equipment:

4x4 Flatbed w/ 300 Gallon High Volume Unit, Pick Up Truck

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5. The Bidder has had the following experience on other similar work:

Meade County RECC / Rob Harrington 270-422-2162

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6. If awarded the contract for the construction of the Project, the Bidder will employ the construction superintendents and supervisors listed hereunder for work throughout the course of the construction of the Project.

Area Manager, Tracy Kinslow

General Foreman, Josh Roberts

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*Attached hereto are signed statements of the qualifications of said superintendents and supervisors, including specific experience in supervision of construction of the type of facilities included in the plans and specifications.*

7. The Bidder now has the following bonded jobs under contract:

Southside Electric Cooperative

\$ 2.3 Million

Sevier County Electric

\$ 3.4 Million

\$

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8. The Bidder possesses Contractor's License No. Herbicide Applicator (6940) for the State of

Kentucky

in which the Project is located, and said license

expires on December 31, 20 22. Copy Attached.

## BIDDER'S QUALIFICATION DOCUMENT

### Contractor Safety Questionnaire (Please attach additional sheets if needed)

1. List your company's Interstate Experience Modification Rate (EMR) for the three most recent years and attaches written verification from your Insurance Company.

<u>Year:</u>	<u>EMR:</u>
<u>2021</u>	<u>.59</u>
<u>2020</u>	<u>.56</u>
<u>2019</u>	<u>.59</u>

2. Please use your last three year's OSHA No. 300 log to fill in the number of injuries and illnesses:

Number of lost workday (days away) cases:

<u>Yr: 2021</u>	<u>#</u>	<u>16</u>
<u>Yr: 2020</u>	<u>#</u>	<u>24</u>
<u>Yr: 2019</u>	<u>#</u>	<u>16</u>

Number of restricted workday cases:

<u>Yr: 2021</u>	<u>#</u>	<u>0</u>
<u>Yr: 2020</u>	<u>#</u>	<u>0</u>
<u>Yr: 2019</u>	<u>#</u>	<u>0</u>

Number of cases with medical treatment only:

<u>Yr: 2021</u>	<u>#</u>	<u>15</u>
<u>Yr: 2020</u>	<u>#</u>	<u>20</u>
<u>Yr: 2019</u>	<u>#</u>	<u>14</u>

Number of fatalities:

<u>Yr: 2021</u>	<u>#</u>	<u>0</u>
<u>Yr: 2020</u>	<u>#</u>	<u>0</u>
<u>Yr: 2019</u>	<u>#</u>	<u>0</u>

3. Employee hours worked the last three years. (Do not include any non-work time, even though paid).

Yr: 2021 3,373,803  
Yr: 2020 3,779,330  
Yr: 2019 3,376,642

4. List any/all fatalities in each of the past 3 years with explanation of cause.

Not applicable.

5. List all contact injuries in each of the past 3 years with explanation of cause.

See attached.

## BIDDER'S QUALIFICATION DOCUMENT

6. Has your company been cited or received notice of violation by Federal or State agencies for violation of safety or environmental requirements in the past five (5) years? If so, please explain.

No

7. Please provide your Company's OSHA citation history for the past five (5) years. Include the following information for each citation: See attached.

- a. Location
- b. Date
- c. Type Inspection
- d. Standard Cited
- e. Violation Type
- f. Current Status

8. Are crew visits held for the purpose of safety inspections and onsite training? If so, by whom (name and title) and how often?

Safety Managers, Regional Managers, Area Managers General Foreman or Supervisors. Weekly.

9. Please attach your company's CSA evaluation results and your SAFER company snapshot. Please include your USDOT # with these reports.

See attached.

10. Please describe your apprentice program for newly hired employees?

See attached orientation program. (USB Drive)

11. Do you have a training program for promoted foremen and operators? If so, please describe.

See attached certification manual. (USB Drive)

12. Please describe your pre-work job briefing process

See attached job briefing checklist. (USB Drive)

## BIDDER'S QUALIFICATION DOCUMENT

13. Does your company have a substance abuse program? If so, please describe.

See attached. (USB Drive)

14. What insurance company are you represented by and what is their AM Best rating?

See attached certification of insurance.

15. What is your company's general liability coverage limits?

See attached certification of insurance.

16. What is your company's auto liability limits?

See attached certification of insurance.

17. What is your company's professional liability limits?

Townsend does not carry professional liability insurance.

18. Do you have a written safety program? Please attach a copy if so.

Safety Outline attached.

Safety Manual attached (USB Drive)



September 3, 2021

Mr. Jeff Williams  
CFO-VP Finance and Accounting  
Jackson Purchase Energy Corporation  
6252 US Highway 60W  
Paducah, KY 42001

Re: 2022/2023 Lump Sum Pricing and 2022 Hourly Rates

Dear Mr. Williams,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced projects. In addition to our pricing please find prequalification documents and Exceptions to the 2022 ROW Hourly Contract.

**Townsend is bidding 2022/2023 Lump Sum Projects only. In addition, we are providing TM pricing for 2022 and will be agreeable to renegotiate future year's rates prior to December 31.**

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness, and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, everyday.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

*J. Michael McClure*

J. Michael McClure, CFO

P.O. Box 7015, Muncie, IN 47308  
765-468-1417



**JACKSON PURCHASE ENERGY COOPERATIVE**  
**2022 HOURLY ROW CONTRACT**

**Contractor's Certification:** This is to certify that it is our intent to furnish equipment, material and in compliance with the Bid submitted by us except where expressly noted below. The Bid is expressly amended and modified by Contractor to include the following terms and conditions:

**Addition of the following wording to the end of Section 12, page 3:**

**; however, Contractor will not be liable for damages arising out of injury or damage to persons or property caused by or resulting from the sole negligence of Cooperative or any of its agents, officers, employees, or successors, assigns.**

**TOWNSEND TREE SERVICE COMPANY LLC**

Contractor

By   
J. Michael McClure, CFO

09-03-21

Date \_\_\_\_\_



### 2022 Hourly Rates

Labor Rates	Billing Rate	OT Rate
Foreman	\$41.15	\$61.73
Trimmer/Groundman	\$34.75	\$52.13

### Equipment Rates

55' Bucket Truck	\$16.74
Disc Chipper	\$ 5.15
Saws	\$ 2.70

2022 Circuit Cutting		
Substation/Circuit	Circuit Miles	Bid
Kansas 214-Lowes	40.1	\$ 401,574.00
Ledbetter 244-Ledbetter	27.5	\$ 452,309.00
Little Union 224-US 60 West	15.9	\$ 191,900.00
Olivet Church Road 214-Olivet Church Rd	3.4	\$ 52,175.00
Reidland 214-Ken Mar Rd	7.8	\$ 75,513.00
Smithland 214-Smithland	13.8	\$ 151,639.00
Grand Rivers 214-luka	36.1	\$ 450,000.00
Grand Rivers 254-Averitt GR #2	18	\$ 248,442.00
Little Union 244-Roy Lee Rd	25.6	\$ 258,322.00
New York 214-Hinkleville	32.6	\$ 309,541.00
New York 234-Blandville	21.9	\$ 291,137.00
Smithland 224-Tiline	85	\$ 774,817.00
Smithland 244-Mitchell Store	38.6	\$ 370,086.00
	366.3	\$ 4,027,455.00

2023 Circuit Cutting		
Substation/Circuit	Circuit Miles	Bid
Grand Rivers 244-Pelican GR #1	13.4	\$ 151,417.00
Ragland 224-Ragland	20.9	No Bid
Strawberry Hill 224-Hansen Rd	6.5	No Bid
Calvert City 214-Hwy 95	6.8	No Bid
Ledbetter 224-US 60 East	23.6	\$ 241,224.00
Maxon 214-Maxon Rd	3.6	No Bid
Maxon 224-Express	6.3	No Bid
Possum Trot 234-Hwy 95	7.2	No Bid
Calvert City 224-Calvert Heights	11.9	No Bid
Coleman Road 224-Conrad Heights	4.5	No Bid
Freemont 244-Freemont	12.9	No Bid
High Point 224-Carneal Rd	23.7	No Bid
Joy 214-Hampton South	49.1	\$ 613,995.00
Joy 254-Lola	45.3	\$ 366,531.00
Kansas 244-Pottsville	32.1	\$ 392,448.00
LaCenter 224-Oscar	51.4	\$ 418,463.00
New York 254-Slater	46.6	\$ 492,174.00
	365.8	

2024 Circuit Cutting		
Substation/Circuit	Circuit Miles	Bid
Grand Rivers 224-Smithland	19.3	No Bid
Culp 244-Sharpe	36.6	No Bid
Freemont 254-Bonds Rd	11.5	No Bid
High Point 214-High Point	13.7	No Bid
Kevil 214-Hobbs Rd	32.2	No Bid



Reidland 234-Epperson Rd	4.6	No Bid
Reidland 244-Walker Boat Yard	7.9	No Bid
Culp 234-Possum Trot	10.8	No Bid
Cumberland 224-Pinckneyville	23.2	No Bid
Freemont 224-McNeil Lane	26.1	No Bid
Kansas 234-Melber	32.6	No Bid
Krebs Station Road 214-Browns Plating	18.9	No Bid
Krebs Station Road 224-Old US 45	42.4	No Bid
LaCenter 214-Damrons	30.6	No Bid
Palma 234-Palma	26.2	No Bid
Possum Trot 224-Possum Trot	25	No Bid
		No Bid
	361.6	No Bid

2025 Circuit Cutting		
Substation/Circuit	Circuit Miles	Bid
Possum Trot 264-CoalTek	3.9	No Bid
Strawberry Hill 264-Hwy 60	1	No Bid
Possum Trot 254-Industrial Loop	20.4	No Bid
Draffenville 214-Draffenville	10.6	No Bid
Freemont 214-Symsonia	58.5	No Bid
Palma 214-Hwy 95	17	No Bid
Little Union 234-US 60 East Mall	3.6	No Bid
New York 224-US 286 East Gage	34.6	No Bid
Olivet Church Road 234-Info Age Park	0.6	No Bid
Palma 224-Draffenville	8.8	No Bid
Strawberry Hill 234-Walmart	1.5	No Bid
Strawberry Hill 254-CSI	0.9	No Bid
Calvert City 244-Industrial Park	3.4	No Bid
Coleman Road 254-KY Oaks Mall	1.3	No Bid
Culp 224-Little Cypress	5.5	No Bid
Cumberland 234-Quarry	3.8	No Bid
Coleman Road 244-Hwy 60 Business	3.2	No Bid
Vulcan 244-Kinder Morgan 1	5.9	No Bid
Calvert City 234-Gilbertsville	12.6	No Bid
Culp 214-Proform	9.8	No Bid
Husbands Road 224-Husbands Rd	20	No Bid
Husbands Road 234-Lydon Rd	15.5	No Bid
Husbands Road 244-Clarkline Rd	14.4	No Bid
Joy 244-Carrsville	7.8	No Bid
Kansas 224-US 45 Folsomdale	21.5	No Bid
Kevil 224-Woodville Rd	38.1	No Bid
Kevil 234-Kelley Rd	22.2	No Bid
Ledbetter 234-River Crossing	3.6	No Bid
Olivet Church Road 224-Highland Ch Rd	10.2	No Bid
Reidland 224-Reidland Water	1.6	No Bid
Vulcan 224-Vulcan Pit	2.2	No Bid

Vulcan 234-Vulcan1 Rock Crusher	1	No Bid
Vulcan 254-Vulcan 2 Hwy 62	4.4	No Bid
	369.4	No Bid

***Please note: JPEC strongly recommends an on-site field assessment of the scope***

**\* JPEC has the right to accept any or all bids and may have more than one contract work on JPEC's system.**

Rates--2022			
Size	Cut and Leave	Cut and Chip	Remove All
4" - 8"	\$ 76.00	\$ 114.00	\$ 145.00
8" - 12"	\$ 116.00	\$ 139.00	\$ 174.00
12" - 16"	\$ 141.00	\$ 217.00	\$ 319.00
16" - 20"	\$ 298.00	\$ 356.00	\$ 530.00
21" and above	TM	TM	TM

Rates-2023			
Size	Cut and Leave	Cut and Chip	Remove All
4" - 8"	\$ 77.00	\$ 115.00	\$ 146.00
8" - 12"	\$ 117.00	\$ 140.00	\$ 176.00
12" - 16"	\$ 142.00	\$ 219.00	\$ 322.00
16" - 20"	\$ 301.00	\$ 360.00	\$ 535.00
21" and above	TM	TM	TM

## **4243'Townsend Bid**



October 2, 2020

Mr. Scott Ribble  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
Paducah, KY 42002

Re: Vegetation Management 2021

Dear Mr. Ribble,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced project. Please find enclosed our proposal along with contract exceptions and safety documentation.

Townsend would like to note that this pricing is contingent upon a mutually agreed upon contract between Jackson Purchase Energy Corporation and Townsend Tree Service Company.

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, everyday.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

A handwritten signature in black ink that reads "J. Michael McClure". The signature is written in a cursive style with a long horizontal flourish at the end.

J. Michael McClure, CFO



To sample agreement

JACKSON PURCHASE ENERGY CORPORATION  
RIGHT OF WAY AGREEMENT

EXCEPTIONS TO BID PROPOSAL

**Contractor's Certification:** This is to certify that it is our intent to full compliance with the Bid submitted by us except where expressly amended and modified by Contractor to include the following:

- Section 3 is deleted and replaced with the following: "Contractor shall perform and carry out the work in accordance with the specifications for the work provided by the Cooperative and in accordance with prudent industry practices.
- Section 5 is modified to include the following sentence at the end of the Section: The above restriction shall not apply to right-of way contractors who has been removed or whose work has been reduced by Cooperative and such work being awarded to Contractor for completion."
- Section 12 is modified as follows: The second sentence is deleted and replaced with the following: "Contractor's indemnity obligations shall not apply to any losses or damages to the extent such losses or damages were initiated by, caused by or resulted from the negligence or willful misconduct of any of the Cooperative, including negligence attributed to it under the legal theory of vicarious liability."
- Section 18 is modified as follows: A new sentence is added to the end of Section 18 to state "Cooperative shall initiate its audit and acceptance process as soon as reasonably practicable and not later than 15 days after Contractor's completion of each phase and payment shall be made by Cooperative within thirty (30) days after Contractor's submission of an proper invoice.
- Section 23 is modified as follows: The following language is added at the end of the section: "however; the completion date shall be extended if Contractor experiences a force majeure event, if Cooperative directs Contractor to perform alternative work circuits or if Cooperative directs Contractor to stop work due to budget cuts or other operational reasons."
- A new Section 24 is added as follows: "All work performed by Contractor during the term of this Agreement shall be governed by the terms herein and this Agreement supersedes all prior agreements, work orders or arrangements between the parties."

TOWNSEND TREE SERVICE COMPANY LLC

Contractor

By J. Michael McClure

J. Michael McClure, CFO

10-02-20-20

Date \_\_\_\_\_



November 4, 2020

Mr. Scott Ribble  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
Paducah, KY 42002

Re: Vegetation Management 2021 /Revised Pricing & Unit Pricing

Dear Mr. Ribble,

Townsend Tree Service Company appreciates being afforded the opportunity to submit pricing on the above referenced project. Please find enclosed our revised proposal on four circuits along with contract exceptions.

**Townsend would like to note that the revised pricing is being submitted as trimming only. No removals over 4" are included. We have included our unit rates to be utilized for any removals on these projects.**

Our Mission is to provide our clients with outstanding service quality in a safe and reliable manner. We endeavor to develop long term relationships with our customers by consistently delivering superior service excellence while adhering to the highest ethical and professional standards in our industry. We are committed to reliability, responsiveness and customer-centered solutions.

Our Core Values are Safety, Excellence, Integrity, Character, and Accountability. We are committed to following our Core Values with every project, every client, everyday.

If you should have questions or need additional information, please contact Tracy Kinslow at 270-361-9672.

Sincerely,

*J. Michael McClure*  
J. Michael McClure, CFO

P.O. Box 7015, Muncie, IN 47308  
765-468-1417



JACKSON PURCHASE ENERGY CORPORATION  
RIGHT OF WAY AGREEMENT

EXCEPTIONS TO BID PROPOSAL

**Contractor's Certification:** This is to certify that it is our intent to furnish equipment, material and in compliance with the Bid submitted by us except where expressly noted below. The Bid is expressly amended and modified by Contractor to include the following terms and conditions:

- **Section 3 is deleted and replaced with the following: "Contractor shall perform and carry out the work in accordance with the specifications for the work provided by the Cooperative and in accordance with prudent industry practices.**
- **Section 5 is modified to include the following sentence at the end of the Section: The above restriction shall not apply to right-of way contractors who has been removed or whose work has been reduced by Cooperative and such work being awarded to Contractor for completion."**
- **Section 12 is modified as follows: The second sentence is deleted and replaced with the following: "Contractor's indemnity obligations shall not apply to any losses or damages to the extent such losses or damages were initiated by, caused by or resulted from the negligence or willful misconduct of any of the Cooperative, including negligence attributed to it under the legal theory of vicarious liability."**
- **Section 18 is modified as follows: A new sentence is added to the end of Section 18 to state "Cooperative shall initiate its audit and acceptance process as soon as reasonably practicable and not later than 15 days after Contractor's completion of each phase and payment shall be made by Cooperative within thirty (30) days after Contractor's submission of an proper invoice.**
- **Section 23 is modified as follows: The following language is added at the end of the section: "however; the completion date shall be extended if Contractor experiences a force majeure event, if Cooperative directs Contractor to perform alternative work circuits or if Cooperative directs Contractor to stop work due to budget cuts or other operational reasons."**
- **A new Section 24 is added as follows: "All work performed by Contractor during the term of this Agreement shall be governed by the terms herein and this Agreement supersedes all prior agreements, work orders or arrangements between the parties."**

TOWNSEND TREE SERVICE COMPANY LLC

Contractor

By \_\_\_\_\_

J. Michael McClure, CFO

10-30-20-20

Date \_\_\_\_\_

P.O. Box 7015, Muncie, IN 47308  
765-468-1417



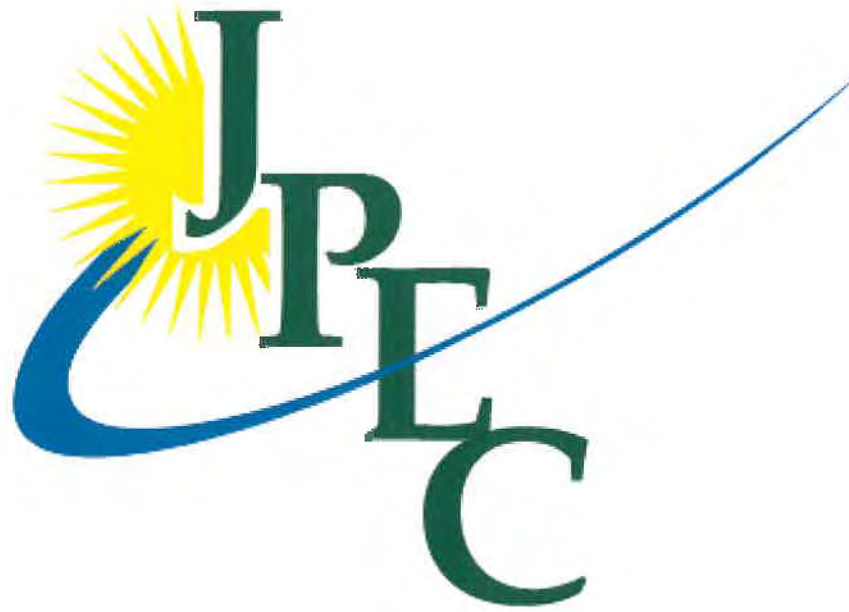


**Lump Sum 2021**

Krebs	Clinton Road	29.10 Miles	\$337,364.00
Little Union	Airport	14.60 Miles	\$129,791.00
New York	Wickliffe	36.90 Miles	\$400,124.00
Ragland	Monkey's Eyebrow	41.60 Miles	\$243,245.00

**Unit Rates**

<u>Size</u>	<u>Cut and Leave</u>	<u>Cut and Chip Brush</u>	<u>Remove All</u>
4"-8"	\$ 75.00	\$112.75	\$143.75
8"-12"	\$115.00	\$137.50	\$172.50
12"-16"	\$140.00	\$214.50	\$316.25
16"-20"	\$295.00	\$352.00	\$525.00
21" and above	T&M	T&M	T&M



Your Touchstone Energy® Cooperative 

## **Vegetation Management Scope and Specifications**

**September 2, 2020**

## 1. Purpose

Jackson Purchase Energy Cooperative (JPEC) is seeking one or more qualified Contractor(s) (Contractor) to perform vegetation management as described in section 2 for JPEC's distribution system for 2021. The successful Contractor(s) will have the opportunity for annual renewals based on successful performance and price.

## 2. Scope of work

The scope of work includes the trimming and/or removal of trees interfering with JPEC's electric distribution lines, to cut brush and undergrowth on JPEC's right-of-way, and dispose of the debris resulting from such work as specified by JPEC, its agents or employees to the satisfaction of JPEC and the property owner.

Vegetation management will be performed on entire circuits, including all primary and neutral line conductors and associated overhead electrical facilities using the below specifications. Work should also include clearing of rights-of-way floors (i.e. mowing, stubble spraying, etc.).

- A. Right-of-Ways shall be a minimum of forty (40) feet wide for two and three phase lines and thirty (30) feet wide for single phase lines.
- B. Effective tree clearance for line reliability is dependent on the type of tree, its growth rate and habit.
- C. Trimming/Removal for On-Right-of-Way Trees –
  - i. Clearance shall be accomplished by ground cutting and removing all tree species, shrubs, brush, vines, etc. from within the right-of-way.
  - ii. Low-growth tree species or shrubs in residential areas that will not exceed the height of the communication lines, without trimming, may be allowed to remain if the vegetation does not pose a hazard to JPEC employees or equipment in the construction and/or maintenance of JPEC facilities.
  - iii. Trees shall be trimmed ground-to-sky with arboricultural approved trimming methods. One such method is ANSI A300 which is published by the Tree Care Industry Association (TCIA).
  - iv. Special clearances may be needed at times because of field conditions.
- D. Trimming Along Distribution Right-Of-Way Edge or Off-Right-Of-Way Trees –
  - i. Trees shall be trimmed ground-to-sky with arboricultural approved trimming methods as referenced in ANSI A300 to obtain the proper clearance.
  - ii. Where trimming of trees is required, trees shall be trimmed back to the minimum specified distances discussed in part 1.

- iii. JPEC shall work with contractor/property owners in the removal of danger trees. A danger tree is any tree that is off the right-of-way that, due to decay, is leaning toward the line, or is exhibiting other abnormal characteristics, could fall and come into contact with supply lines.
- E. Shaping or rounding-over trees beyond what is described in ANSI A300 to achieve the desired conductor/vegetation clearance shall not be performed.
- F. All low growing desirable species, if present, may be left unless:
  - i. they create clearance problems,
  - ii. mechanical, non-selective equipment (e.g. mowing) is used, or
  - iii. they block access to the rights-of-way or prevent facilities maintenance.
- G. All trees and brush removed in right-of-way cutting shall be cut flush as possible with ground lines. Logs shall be disposed of as designated. If upon request, logs may be cut to length, stacked neatly, and left on the right-of-way for the landowner
- H. Any growth located within a fencerow shall be cut and removed to the height of the fencerow.
- I. All stumps from manual clearing operations shall be treated with a dyed herbicide approved by JPEC to prevent re-growth.

Contractor is accountable for:

- **Member notification:** Contractor must maintain proper advanced notification as per planning notes or from communication with members in the field.
- **Work Planning:** Contractor must communicate with JPEC forester or other representative when work plan notes and field notes differ. Contractor is responsible to report all member refusals in writing to JPEC. The Cooperative agrees to resolve these refusals within thirty (30) days of receipt from the Contractor. In the event that the refusal is not resolved within thirty (30) days, the Cooperative agrees to release the Contractor from responsibility for work associated with said refusal. Clearing and cutting in areas where refusals are related to land or weather conditions, such as crop lands or wet conditions, shall remain the responsibility of the Contractor.
- **Quality Assurance:** Contractor must complete all quality assurance activities including written certification of quality assurance per circuit. JPEC will conduct quality control inspections and issue a quality deficiency notice, as appropriate, on circuit miles completed and submitted by the Contractor within two weeks. Contractor must complete all quality control rework identified by JPEC within one week of the notice.

Contractor further agrees to:

- Resolve complaints of any nature received through the Cooperative or directly from property owners, agents, or public authorities shall receive immediate attention and that all efforts shall be made for a prompt adjustment. All complaints, and any action

taken by the Contractor in connection with such complaints, shall be reported to the Cooperative in writing.

- That personnel attire and equipment shall be clearly marked with company logo. The Contractor shall maintain its tools and equipment in good working order and with as neat an appearance as possible considering the work being performed.
- Install and maintain the necessary guards and protective devices at locations where work is being performed to prevent accidents to the general public or damage to the property and personnel of the Cooperative or the general public.
- Cut all circuitry, including disconnected lines, unless otherwise agreed to by the Cooperative.
- Report all visually identifiable danger trees, which within reasonable judgement, threaten the operation of the Cooperative's circuitry and which are located outside of the 40' specification to JPEC representative.

JPEC will provide contractor with electronic copies of circuit maps, trimming and/or removal tree counts, and work planning notes from our forester.

It is understood by and between the parties that the electric circuits of the Cooperative are to continue in normal operation during this work, and that Contractor is to provide and use all protective equipment necessary for the protection of Contractor's employees and to guard against interfering with the normal operation of said circuits.

### 3. Schedule

For line clearance work, the successful Contractor(s) must initiate personnel and equipment mobilization on JPEC system no later than February 1, 2021. The entire scope of work must pass final inspection no later than December 31<sup>st</sup> of each year.

### 4. Reporting

The Contractor shall prepare and forward to JPEC a daily report on crew location, personnel in field and any problems encountered the day before.

The Contractor shall prepare and forward to JPEC a written weekly report outlining work performed the previous week, miles trimmed, and trees removed, problems encountered and resolved, time lost due to inclement weather, issues requiring the JPEC's input and/or assistance, etc. Any event upon which the Contractor intends to rely on for an extension of time and/or change order to the Contract shall be clearly and completely described in the first report issued after said event occurs. Failure to notify JPEC of such an event within ten (10) calendar days of its occurrence will negate any possibility of it being used to support a change to the Contract.

The Contractor shall prepare and forward to JPEC a monthly written report that details the safety performance of the crew(s) while on JPEC's system. This performance must include information about performance, trainings, company audits, job briefing data, etc.

5. Work Time

Normal working days will be Monday through Saturday. Contractor must coordinate their standard working schedule with JPEC.

6. Debris Disposal

The disposal and associated cost will be the full responsibility of Contractor and will be performed in accordance with all local, state and federal regulations. JPEC will work with Contractor in identifying debris disposal opportunities

7. Invoicing

Within the first fifteen (15) days of each calendar month, JPEC shall make partial payment to the Contractor for work accomplished and audited during the preceding calendar month on the basis of a statement of completed work furnished and certified to by the Contractor and approved by JPEC solely for the purposes of payment: Provided, however, that such approval by JPEC shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such statement approved during the clearing of the feeders associated with a given substation shall be paid by JPEC to the Contractor prior to completion of all work for that substation. Upon completion of the clearing of a substation, the Contractor shall prepare a final statement and JPEC agrees to pay the remaining ten percent (10%) of the charges upon inspection of total completion.

8. Proposal Submission Deadline

Bids are due by 3:00 CST., September 25<sup>th</sup>, 2020. To be considered, all documentation must be received by the deadline. Please place bids and bidder's qualification document in a SEALED envelop marked 20212 JPEC ROW BID ENCLOSED". Proposals will not be received by email. Please address proposals to:

Jeff Williams  
CFO – VP Finance, Accounting & Member Services  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Dr.  
Paducah, Kentucky 42002

9. Pricing

JPEC is requesting pricing for Contractor to perform vegetation management control on the electric distribution lines.

Prospective bidders shall also submit answers to the enclosed safety questionnaire as part of JPEC selection process.

Please provide lump sum per circuit pricing for those circuits identified below on the enclosed bid sheet.

#### 2021 JPEC Tree Clearance Bid Sheet

Substation	Circuit Name	Circuit Number	Sub X,Y Coordinates	Mileage	Lump Sum Price to Clear ROW to Specs
Kansas	Pottsville	61244	36.9081,-88.7301	32.9	\$549,809.00
Kevil	Kelly Rd	28234	37.0878, -88.8238	22.6	\$404,784.00
Kevil	Woodville Rd	28224		34.7	\$621,888.00
Krebs	Clinton Rd	5003	36.9938,-88.6744	29.1	\$653,265.00
LaCenter	Oscar	26224	37.0836,-88.9478	51.9	\$805,648.00
Little Union	Airport	3901	37.0623,-88.7346	14.6	\$236,945.00
New York	Wickliffe	47244	37.0623,-88.7346	36.9	\$684,546.00
Ragland	Monkey's Eyebrow	19214	37.1688,-88.9041	41.6	\$325,819.00

*Please note: JPEC strongly recommends an on-site field assessment of the scope of work*

\* JPEC has the right to accept any or all bids and may have more than one contractor performing work on JPEC's system.

- JPEC has the right to accept any or all bids and may have more than one contractor performing work on JPEC's system.
- Please note: JPEC strongly recommends an on-site field assessment of the scope of work.

#### 10. Selection Criteria

Final selections will be based on these performance areas:

- Cost
- Safety
- Work History
- Quality

#### 11. Process for Inquiries and/or Clarification

Please direct any questions and/or comments in writing via email to Scott Ribble ([scott.ribble@jpenenergy.com](mailto:scott.ribble@jpenenergy.com)). Formal responses to questions will be delivered via email.





## Contractor Safety Questionnaire

6. Has your company been cited or received notice of violation by Federal or State agencies for violation of safety or environmental requirements in the past five (5) years? If so, please explain. **No.**
  
7. Please provide your Company's OSHA citation history for the past five (5) years. Include the following information for each citation: **Please find attached.**
  - a. Location
  - b. Date
  - c. Type Inspection
  - d. Standard Cited
  - e. Violation Type
  - f. Current Status
  
8. Are crew visits held for the purpose of safety inspections and onsite training? If so, by whom (name and title) and how often? **Yes; weekly by Operations; Semi-annually by Safety personnel.**
  
9. Please attach your company's CSA evaluation results and your SAFER company snapshot. Please include your USDOT # with these reports. supply this. **See attached.**
  
10. Please describe your apprentice program for newly hired employees.  
**All employees undergo an in-depth orientation process; task specific certification is required within 90 days of being placed in the position; During this 90 day period the apprentice must work under the direct observation of a certified employee.**

## Contractor Safety Questionnaire

11. Do you have a training program for promoted foremen and operators? If so, please describe.

**In addition to the certification process described above, Townsend has corporate training specialists that are assigned to each region. Their primary responsibility is employee mentorship for new personnel, promoted personnel, or safety deficient activities.**

12. Please describe your pre-work job briefing process

**A thorough pre-job briefing takes place prior to each job or when conditions/personnel change. During this process job site hazards are identified, prioritized, and documented. Hazard elimination/mitigation procedures are then identified/documented. In addition, emergency action information; job site task assignments, and PPE requirements are identified and documented.**

13. Does your company have a substance abuse program? If so, please describe.

**Yes, see attached.**

14. What insurance company are you represented by and what is their AM Best rating?

15. What is your company's general liability coverage limits?

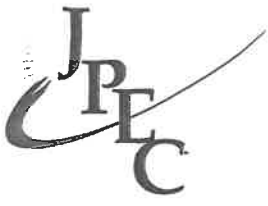
16. What is your company's auto liability limits?

17. What is your company's professional liability limits?

## Contractor Safety Questionnaire

18. Do you have a written safety program? Please attach a copy if so. **Yes, please find attached.**

## **2020 Townsend Bid**



January 3, 2018

Mr. Rick Kinslow  
Townsend Tree Service  
P.O. Box 7015  
Muncie, IN 47308

**RE: Extension of ROW Contract**

Dear Mr. Kinslow,

Jackson Purchase Energy Corporation is pleased to inform you of our recent board action to extend your current contract for four (4) years through 2021.

Please find enclosed a JPEC signed contract for your review and signature. Once executed, please send the original back to JPEC.

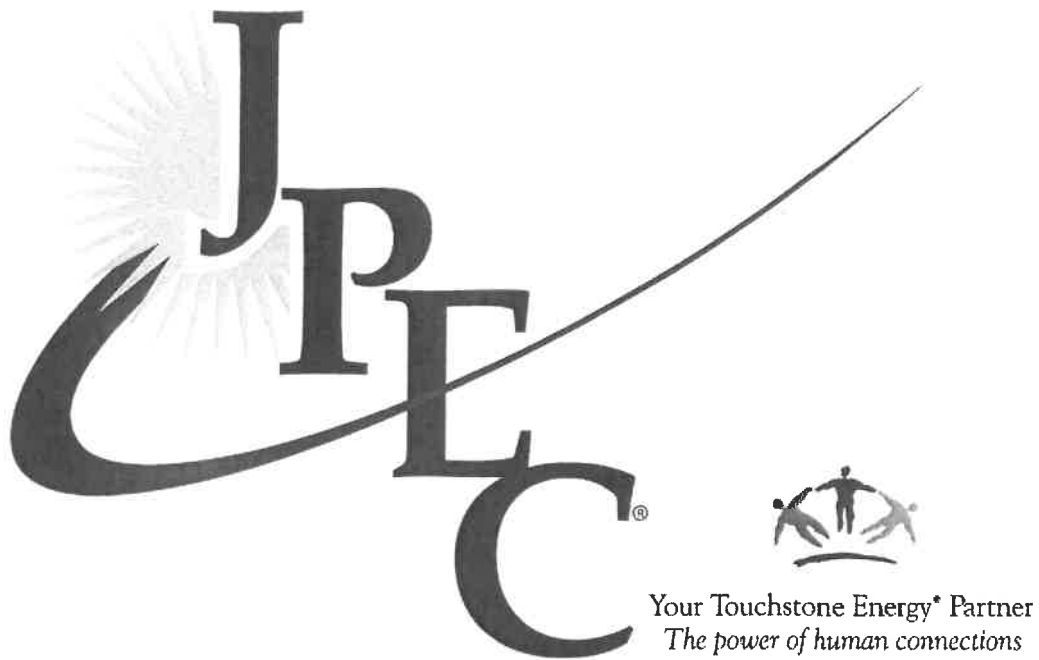
JPEC looks forward to continuing our partnership for the next four years with this extension. If you have any questions please feel free to contact us.

Sincerely,

Scott Ribble, P.E.  
V.P. of Engineering and Operations  
Jackson Purchase Energy Corporation

Enclosure





**2018-2021**  
**Right-of-Way Clearing Contract**

December 2017

Jackson Purchase Energy Corporation (JPEC)  
2900 Irvin Cobb Drive, P.O. Box 4030  
Paducah, KY 42002-4030  
(270) 442-7321



*clearing in strict accordance with the Specifications and Drawings within one thousand four hundred sixty (1460) calendar days (excluding Sundays) after Commencement Date.*

- (b) The time for Completion of Clearing shall be extended for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault of the Contractor, including acts of God, fires, floods, inability to obtain materials and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a request therefor in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes except acts or omissions of the Owner, shall result in any liability on the part of the Owner.*
- (c) The sequence of construction shall be as set forth below, the numbers or names being the designations of extensions or areas (hereinafter called the "Sections") corresponding to the numbers or names shown on the maps attached hereto, or if no Sections are set forth below, the sequence of construction shall be as determined by the Contractor subject to the approval of the Owner.*
- (d) The Owner may from time to time during the progress of the work on the Project make such changes in, additions to or subtractions from the Specifications, Drawings and sequence of work provided for in the previous paragraph which are part of the Contractor's Proposal as conditions may warrant: Provided, however, that if any change in the work to be done shall require an extension of time, a reasonable extension will be granted if the Contractor shall make a written request therefor to the Owner within ten (10) days after any such change is made. And provided further, that if the cost to the Contractor of completion of the Project shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a Contract Amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefor to the Owner prior to the commencement of work in connection with such change or addition.*
- (e) The Contractor shall not perform any work hereunder on Sundays, holidays observed by the Owner, or between the hours of 6 PM and 7 AM without the express written approval of the Owner. The time for completion specified in subsection (a) of this Section 1 shall not be affected in any way by inclusion of this subsection or by the Owner's consent or lack of consent to work any of these restricted periods.*

**Section 2. Environmental Protection.** *The Contractor shall perform work in such a manner as to maximize preservation of beauty, conservation of natural resources, and minimize marring and scarring of the landscape and silting of streams. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures. The Contractor shall follow, under the general direction of the Engineer, the criteria relating to environmental protection as specified herein by the Engineer.*

**Section 3. Supervision and Inspection.**

- (a) The Contractor shall cause the work on the Project to receive constant supervision by a competent superintendent (hereinafter called the "Superintendent") who shall be present at all times during working hours where work is being carried on. The Contractor shall also employ in connection with the Project, capable, experienced and reliable foremen and such skilled workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Superintendent shall be binding upon the Contractor.*
- (b) The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of its employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of its obligations to complete the work within the time and in the manner specified in this Proposal.*
- (c) The manner of performance of the work, and all equipment used therein, shall be subject to the inspection and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and*



records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.

- (d) In the event that the Owner shall determine that the work contains or may contain numerous defects, it shall be the duty of the Contractor and the Contractor's Surety or Sureties to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent and location of such defects.
- (e) The Engineer may recommend to the Owner that the Contractor suspend the work wholly or in part for such period or periods as the Engineer may deem necessary due to unsuitable weather or such other conditions as are considered unfavorable for the satisfactory prosecution of the work or because of the failure of the Contractor to comply with any of the provisions of the Contract: Provided, however, that the Contractor shall not suspend work pursuant to this provision without written authority from the Owner so to do. The time of completion hereinabove set forth shall be increased by the number of days of any such suspension, except when such suspension is due to the failure of the Contractor to comply with any of the provisions of this Contract. In the event that work is suspended by the Contractor with the consent of the Owner, the Contractor before resuming work shall give the Owner at least twenty-four (24) hours notice thereof in writing.

**Section 4. Unsuitable Workmanship.** *The acceptance of any workmanship by the Owner or the Engineer shall not preclude the subsequent rejection thereof if such workmanship shall be found to be unsuitable. Workmanship found unsuitable before final acceptance of the work shall be remedied, by and at the expense of the Contractor. The Contractor shall not be entitled to any payment hereunder so long as any unsuitable workmanship in respect to the Project, of which the Contractor shall have had notice, shall not have been remedied.*

### ARTICLE III - PAYMENT

#### Section 1. Payments to Contractor.

- (a) *Within the first fifteen (15) days of each calendar month, the Owner shall make partial payment to the Contractor for work accomplished during the preceding calendar month on the basis of a statement of completed work furnished and certified to by the Contractor and approved by the Owner solely for the purposes of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such statement approved during the clearing of the feeders associated with a given substation shall be paid by the Owner to the Contractor prior to completion of all work for that substation. Upon completion of the clearing of a substation, the Contractor shall prepare a Final Inventory of the work completed showing the total number and character of miles cleared and shall deliver to the Owner a Certificate of Contractor and Indemnity Agreement in the form attached hereto, showing the total cost of the work performed and stating (1) that all persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full and (2) that the Contractor shall hold the Owner harmless against any liens arising out of the Contractor's performance hereunder which may have been or may be filed against the Owner. Upon the approval of such certificate, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled thereunder which shall not have been paid.*
- (b) *The Contractor shall be paid on a lump sum basis in accordance with the prices quoted herein as amended by approved Contract Amendments, if any.*
- (c) *No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of the Contract.*
- (d) *If no Sections are designated in Article II, Section 1(c) the term "Section" shall mean for purposes of this subsection (a) and Article IV, Section 3(b) only, a part of the Project as designated by the Owner which represents at least twenty-five percent (25%) of the total Contract price as stated in the Acceptance.*

- (e) Interest at the rate of **Three** percent ( 3.0% ) per annum shall be paid by the Owner to the Contractor on all unpaid balances due on monthly statements, commencing fifteen (15) days after the due date: provided the delay in payment beyond the due date is not caused by any condition within the control of the Contractor. The due date for purposes of such monthly payment shall be the fifteenth day of each calendar month provided (1) the Contractor on or before the fifth day of such month shall have submitted its certification of right-of-way clearing units completed during the preceding month and (2) the Owner on or before the fifteenth day of such month shall have approved such certification. If for reasons not due to the Contractor's fault, such approval shall not have been given on or before the fifteenth day of such month, the due date for purposes of this subsection (e) shall be the fifteenth day of such month notwithstanding the absence of the approval of the certification.
- (f) Interest at the rate of **Three** percent ( 3.0% ) per annum shall be paid by the Owner to the Contractor on the final payment for the Project or any completed Section thereof, commencing fifteen (15) days after the due date. The due date for purposes of such final payment shall be the date of approval by the Owner of the Final Inventory and receipt of the Certificate of Contractor and Indemnity Agreement as conditions precedent to the making of final payment.

**Section 2. Payments to Subcontractors.** The Contractor shall pay each subcontractor, if any, within five (5) days after receipt of any payment from the Owner, the amount thereof allowed the Contractor for and on account of services performed by each subcontractor.

#### ARTICLE IV - PARTICULAR UNDERTAKINGS OF THE CONTRACTOR

**Section 1. Protection to Persons and Property.** The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, state, and municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, state, or municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- (a) The Contractor shall so conduct work on the Project as to cause the least possible obstruction of public highways.
- (b) The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- (c) The Contractor shall do all things necessary or expedient to properly protect any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of work on the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.
- (d) Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during work on the Project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. The Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to work on the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by work on the Project. The right-of-way for purposes of this said section shall consist of an area extending **twenty (20)** feet on both sides of the center line of the poles along the route of the Project lines, plus such area reasonably required by the Contractor for access to the route of the Project lines from public roads to carry on the work.
- (e) The Project, from the commencement of work to completion, or to such earlier date or dates when the

*Contractor for access to the route of the Project lines from public roads to carry on the work.*

- (e) The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided, shall be under the charge and control of the Contractor and during such period of control by the Contractor all risks in connection with the work on the Project and the materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof under the control of the Contractor by reason of an act of God or other casualty or cause whether or not the same shall have occurred by reason of the Contractor's negligence.*

  - (i) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all claims, causes of action, losses, liabilities, and expenses (including reasonable attorney's fees) for personal loss, injury, or death to persons (including but not limited to Contractor's employees) and loss, damage to or destruction of Owner's property or the property of any other person or entity (including but not limited to Contractor's property) in any manner arising out of or connected with the Contract, or the materials or equipment supplied or services performed by Contractor, its subcontractors and suppliers of any tier. Such indemnification specifically includes, but is not limited to, any fines, penalties, sanctions, or judgments imposed by any local government, regulatory agency, or court against Owner and Owner's directors, officers, and employees for any act or omission or conduct of Contractor, its subcontractors, employees, suppliers, representatives, and assigns, including the costs of defending any such proceeding (including reasonable attorney's fees). But nothing herein shall be construed as making Contractor liable for any injury, death, loss, damage, or destruction caused by the sole negligence of Owner.*
  - (ii) To the maximum extent permitted by law, Contractor shall defend, indemnify, and hold harmless Owner and Owner's directors, officers, and employees from all liens and claims filed or asserted against Owner, its directors, officers, and employees, or Owner's property or facilities, for services performed or materials or equipment furnished by Contractor, its subcontractors and suppliers of any tier, and from all losses, demands, and causes of action arising out of any such lien or claim. Contractor shall promptly discharge or remove any such lien or claim by bonding, payment, or otherwise and shall notify Owner promptly when it has done so. If Contractor does not cause such lien or claim to be discharged or released by payment, bonding, or otherwise, Owner shall have the right (but shall not be obligated) to pay all sums necessary to obtain any such discharge or release and to deduct all amounts so paid from the amount due Contractor. No payments made by the owner pursuant to this provision shall be deemed payments of a "volunteer".*
  - (iii) Contractor shall provide to Owner's satisfaction evidence of Contractor's ability to comply with the indemnification provisions of subparagraphs (i) and (ii) above, which evidence may include but may not be limited to a bond or liability insurance policy obtained for this purpose through a licensed surety or insurance company.*
- (f) Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses. The Contractor shall not deposit trash in streams or waterways, and shall not deposit herbicides or other chemicals or their containers in or near streams, waterways or pastures.*
- (g) Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.*
- (h) The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.*
- (i) The Contractor shall not proceed with the cutting of trees or clearing of right-of-way without the authorization of the owner of the property where the work is being performed. The Contractor shall obtain said permission in writing using forms approved by the Owner for such purpose. The Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project and shall obtain the consent in writing of the Owner before proceeding in any such case.*

**Section 2. Insurance.** *The Contractor shall take out and maintain throughout the period of this Agreement the following minimum amounts of insurance:*

- (a) *Worker's compensation and employer's liability insurance, as required by law, covering all their employees who perform any of the obligations of the contractor, engineer, and architect under the Contract. If any employer or employee is not subject to workers' compensation laws of the governing state, then insurance shall be obtained voluntarily to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws.*
- (b) *Public liability insurance covering all operations under the Contract shall have limits for bodily injury or death of not less than \$1 million each occurrence, limits for property damage of not less than \$1 million each occurrence, and \$1 million aggregate for accidents during the policy period. A single limit of \$1 million of bodily injury and property damage is acceptable. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.*
- (c) *Automobile liability insurance on all motor vehicles used in connection with the Contract, whether owned, nonowned, or hired, shall have limits for bodily injury or death of not less than \$1 million per person and \$1 million each occurrence, and property damage limits of \$1 million for each occurrence. This required insurance may be in a policy or policies of insurance, primary and excess including the umbrella or catastrophe form.*

*The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections (b) and (c) of this Section. In any such event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the Contract price.*

*The Owner shall be named as Additional Insured on all policies of insurance required in subsections "b" and "c" of this Section.*

*The policies of insurance shall be in such form and issued by such insurer as shall be satisfactory to the Owner. The Contractor shall furnish the Owner a certificate evidencing compliance with the foregoing requirements which shall provide not less than thirty (30) days prior written notice to the Owner of any cancellation or material change in the insurance.*

**Section 3. Delivery of Possession and Control to the Owner.**

- (a) *Upon written request of the Owner, the Contractor shall deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of the work of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 1(e) of this Article IV with respect to such portion so delivered to the Owner, shall be terminated: Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4.*
- (b) *Where the construction of a Section as hereinbefore defined in Article II, Section 1 (c) and Article III, Section 1 (d) shall have been completed by the Contractor, the Owner agrees, after receipt of a written request from the Contractor, to accept delivery of possession and control of such Section upon having inspected the Section and having found the work acceptable. Upon such delivery of the possession and control of any such Section to the Owner, the risk and obligations of the Contractor as set forth in Article IV, Section 1 (e) hereof with respect to such Section so delivered to the Owner shall be terminated: Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to unsuitable workmanship as specified in Article II, Section 4 hereof.*

**Section 4. Assignment of Guarantees.** *All guarantees of materials and workmanship running in favor of the Contractor shall be transferred and assigned to the Owner prior to the time the Contractor receives final payment for any Section.*

**ARTICLE V - REMEDIES**

**Section 1. Completion on Contractor's Default.** *If default shall be made by the Contractor or by any subcontractor in*

*the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety, if any, a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the work on the Project and prosecute the same to completion by Contract or otherwise for the account and at the expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the Contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the Project, any materials, tools, supplies, equipment, appliances, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.*

**Section 2. Liquidated Damages.** *The time of the Completion of Clearing is of the essence of the Contract. Should the Contractor neglect, refuse or fail to complete the clearing within the time herein agreed upon, after giving effect to extensions of time, if any, herein provided, then, in that event and in view of the difficulty of estimating with exactness damages caused by such delay, the Owner shall have the right to deduct from and retain out of such monies which may be then due, or which may become due and payable to the Contractor the sum of One Thousand Dollars (\$1,000) per day for each and every day that such work is delayed in its completion beyond the specified time, as liquidated damages and not as a penalty; if the amount due and to become due from the Owner to the Contractor is insufficient to pay in full any such liquidated damages, the Contractor shall pay to the Owner the amount necessary to effect such payment in full: Provided, however, that the Owner shall promptly notify the Contractor in writing of the manner in which the amount retained, deducted or claimed as liquidated damages was computed.*

**Section 3. Cumulative Remedies.** *Every right or remedy herein conferred upon or reserved to the Owner shall be cumulative, shall be in addition to every right and remedy now or hereafter existing at law or in equity or by statute and the pursuit of any right or remedy shall not be construed as an election: Provided, however, that the provision of Section 2 of this Article shall be the exclusive measure of damages for failure by the Contractor to complete the clearing within the time herein agreed upon.*

## ARTICLE VI - MISCELLANEOUS

### Section 1. Definitions.

- (a) *The term "Engineer" shall mean the engineer employed by the Owner to provide engineering services for the Project and said Engineer's duly authorized assistants and representatives. The term "Engineer" will mean "Owner" if no engineer is employed by the Owner to provide engineering services.*
- (b) *The term "Completion of Clearing" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof except the Contractor's obligations in respect of furnishing (1) the "Certificate of Contractor and Indemnity Agreement" and (2) the Final Inventory both referred to in Article III, Section 1 hereof.*
- (c) *The term "Completion" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to any Section of the Project or to the Project.*

**Section 2. Patent Infringement.** *The Contractor shall save harmless and indemnify the Owner from any and all claims, suits and proceedings for the infringement of any patent or patents covering any materials or equipment used in construction of the Project.*

**Section 3. Permits for Explosives.** *All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.*

**Section 4. Compliance with Statutes and Regulations.** *The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. 286,287, 1001, as amended. The Contractor*

*understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of governmental agencies having jurisdiction in the premises.*

**Section 5. Equal Opportunity Provisions.**

*(a) Contractor's Representations.*

*The Contractor represents that:*

*It has  does not have , 100 or more employees, and if it has, that it has , has not , furnished the Equal Employment Opportunity—Employer's Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.*

*The Contractor agrees that it will obtain, prior to the award of any subcontractor for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100.*

*The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount to more than \$10,000, the Contractor will file such report, as required by law, and notify, the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.*

*(b) Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:*

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.*
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.*
- (3) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers representative of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
- (4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.*
- (5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.*
- (6) In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations or orders, this Contract may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally-assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the*

= 8405971  
 u= DU87922

EQUAL EMPLOYMENT OPPORTUNITY  
 2016 EMPLOYER INFORMATION REPORT  
 INDIVIDUAL ESTABLISHMENT REPORT - TYPE 4

SECTION B - COMPANY IDENTIFICATION

1. TOWNSEND CORPORATION, THE  
 1015 WEST JACKSON STREET  
 P.O. BOX 7015  
 MUNCIE, IN 47308

SECTION C - TEST FOR FILING REQUIREMENT

2.a. TOWNSEND TREE SERVICE CO, LLC  
 1015 WEST JACKSON STREET  
 P.O. BOX 7015  
 MUNCIE, IN 47308  
 DELAWARE COUNTY  
 c. Y

1-Y 2-Y 3-Y DUNS NO.:016545519 EIN :261571347

SECTION E - ESTABLISHMENT INFORMATION

NAICS: 561730 Landscaping Services

SECTION D - EMPLOYMENT DATA

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO							OVERALL TOTALS					
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE		BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES
EXECUTIVE/SR OFFICIALS & MGRS	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
FIRST/MID OFFICIALS & MGRS	1	0	92	0	0	0	1	0	1	0	0	0	0	0	0
PROFESSIONALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TECHNICIANS	1	0	18	0	0	0	1	0	8	0	0	0	0	0	0
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE SUPPORT	0	0	1	0	0	0	0	0	4	0	0	0	0	0	0
CRAFT WORKERS	126	1	526	10	1	1	6	5	6	0	0	0	0	0	0
OPERATIVES	40	0	273	2	0	1	3	0	2	0	0	0	0	0	0
LABORERS & HELPERS	11	0	184	4	0	0	0	3	2	0	0	0	0	0	0
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	179	1	1096	16	1	2	11	8	23	0	0	0	0	0	13
PREVIOUS REPORT TOTAL	239	3	1091	31	2	1	15	8	23	0	0	0	0	0	14

SECTION F - REMARKS

Secretary of Labor, or as otherwise provided by law.

(7) *The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.*

(c) *Certificate of Nonsegregated Facilities. The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.*

**Section 6. Franchises and Rights-of-way.** *The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, state, county, municipal or other authority; any rights-of-way over private lands; or any agreements between the Owner and third parties with respect to the construction and operation of the Project **other than permission to clear from landowners.***

**Section 7. Nonassignment of Contract.** *The Contractor shall not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.*

**Section 8. Extension to Successors and Assigns.** *Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.*



TOWNSEND TREE SERVICE COMPANY LLC

Contractor

By: J. Michael McClure  
J. MICHAEL MCCLURE ~~President~~ CFO

P.O. Box 7015

Address

MUNCIE IN 47308

0115/18

Date

ATTEST:

Michelle M. Mose

Secretary

*This Proposal must be signed with the full name of the Contractor. If the Contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the Corporation.*

## ACCEPTANCE

The Owner hereby accepts the foregoing Proposal of the Contractor, \_\_\_\_\_  
for the following:


Total Distribution Clearing: \$ 4,093,378.31

Total Time & Material Pricing: \$ See "Attachment B" (Location, Time and Equipment Rates)

  
\_\_\_\_\_

Jackson Purchase Energy Corporation

\_\_\_\_\_  
President

ATTEST:   
\_\_\_\_\_

Secretary

12-28-2017  
Date of Contract

APPROVED AS TO FORM

\_\_\_\_\_  
*Attorney for the Owner*

\_\_\_\_\_  
*Attorney for the Contractor*

NOT REQUIRED PER  
ATTACHED EMAIL

## CONTRACTOR'S BOND

1. Know all men that we, \_\_\_\_\_ as  
Principal, and \_\_\_\_\_, as Surety,  
are held and firmly bound unto Jackson Purchase Energy Corporation  
(hereinafter called the "Owner") and unto the United States of America (hereinafter called the "Government") and  
unto all persons, firms and corporations who or which may furnish materials for or perform labor on a Rural  
Utilities Service Project known as 2018-2021 Right-Of-Way Clearing and to their successors  
and assigns, in the penal sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_).  
as hereinafter set forth and for the payment of which sum well and truly to be made we bind ourselves, our executors,  
administrators, successors and assigns jointly and severally by these presents. Said Project is described in a certain  
construction contract (hereinafter called the "Construction Contract") between the Owner and the Principal,  
dated \_\_\_\_\_, \_\_\_\_\_, pursuant and subject to a certain loan contract  
(hereinafter called the "Loan Contract") between the Owner and the Government, acting through the Administrator  
of the Rural Utilities Service (hereinafter called the "Administrator").
2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfil all the undertakings,  
covenants, terms, conditions and agreements of the Construction Contract and any amendments thereto, whether  
such amendments are for additions, decreases, or changes in materials, their quantity, kind or price, labor costs, mileage,  
rowing or any other purpose whatsoever, and whether such amendments are made with or without notice to the Surety, and  
shall fully indemnify and save harmless the Owner and the Government from all costs and damages which they, or either of  
them, shall suffer or incur by reason of any failure so to do, and shall fully reimburse and repay the Owner and the  
Government for all outlay and expense which they, or either of them shall incur in making good any such failure of  
performance on the part of the Principal, and shall promptly make payment to all persons working on or supplying labor or  
materials for use in the construction of the Project contemplated in the Construction Contract and any amendments thereto,  
in respect of such labor or materials furnished and used therein, to the full extent thereof, and in respect of such labor or  
materials furnished but not so used, to the extent of the quantities estimated in the Construction Contract and any  
amendments thereto to be required for the construction of the Project, and shall well and truly reimburse the Owner and  
the Government, as their respective interests may appear, for any excess in cost of construction of said Project over the cost  
of such construction as provided in the Construction Contract, and any amendments thereto, occasioned by any default of  
the Principal under the Construction Contract and any amendments thereto, then this obligation shall be null and void, but  
otherwise shall remain in full force and effect.
3. It is expressly agreed that this bond shall be deemed amended automatically and immediately, without formal and  
separate amendments hereto, upon any amendment to the Construction Contract, so as to bind the Principal and the Surety  
to the full and faithful performance of the Construction Contract as so amended, provided only that the total amount of all  
increases in the cost of construction shall not exceed 20 percent of the amount of the maximum price set forth in the  
Construction Contract. The term "Amendment," wherever used in this bond, and whether referring to this bond, the  
Construction Contract or the Loan Contract shall include any alteration, addition, extension, modification, amendment,  
rescission, waiver, release or annulment, of any character whatsoever.
4. It is expressly agreed that any amendment which may be made by agreement or otherwise between the Principal  
and the Owner in the terms, provisions, covenants and conditions of the Construction Contract, or in the terms, provisions,  
covenants and conditions of the Loan Contract (including, without limitation, the granting by the Administrator to the  
Owner of any extension of time for the performance of the obligations of the Owner under the Loan Contract or the  
granting by the Administrator or the Owner to the Principal of any extension of time for the performance of the obligations  
of the Principal under the Construction Contract, or the failure or refusal of the Administrator or the Owner to take any  
action, proceeding or step to enforce any remedy or exercise any right under either the Construction Contract or the Loan  
Contract, or the taking of any action, proceeding or step by the Administrator or the Owner, acting in good faith upon the  
belief that the same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in any way  
release the Principal and the Surety, or either of them or their respective executors, administrators, successors or assigns,  
from liability hereunder. The Surety hereby acknowledges receipt of notice of any amendment, indulgence or forbearance,  
made, granted or permitted.
5. This bond is made for the benefit of all persons, firms and corporations who or which may furnish any materials or perform

any labor for or on account of the construction to be performed under the Construction Contract and any amendments thereto, and they, and each of them, are hereby made obligees hereunder with the same force and effect as if their names were written herein as such, and they and each of them may sue hereon.

In witness whereof, the undersigned have caused this instrument to be executed and their respective corporate seals to be affixed and attested by their duly authorized representatives this day of \_\_\_\_\_, \_\_\_\_\_, granting by the Administrator or the Owner to the Principal of any extension of time for the performance of the obligations of the Principal under the Construction Contract, or the failure or refusal of the

\_\_\_\_\_  
Principal  
Attest: By \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Surety  
Attest: By \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Address of Surety's Home Office

By \_\_\_\_\_  
Resident Agent of Surety

Signatures: The Contractor's Bond must be signed with the full name of the Contractor. If the Contractor is a partnership the Contractor's Bond must be signed in the partnership name by a partner. If the Contractor is a corporation the Contractor's Bond must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the corporation. A typewritten copy of all such names and signatures shall be appended.

Power of Attorney: The Contractor's Bond must be accompanied by a power of attorney authorizing execution on behalf of the Surety and, in jurisdictions so requiring should be countersigned by a duly authorized resident agent of the Surety.

## Beth Henry

---

**From:** Rick Kinslow  
**Sent:** Monday, January 15, 2018 9:38 AM  
**To:** Beth Henry  
**Cc:** Frank McTier; Mick Saulman  
**Subject:** Fwd: Contract

Sent from my iPhone

Begin forwarded message:

**From:** Scott Ribble <[Scott.Ribble@jpenergy.com](mailto:Scott.Ribble@jpenergy.com)>  
**Date:** January 15, 2018 at 8:30:39 AM CST  
**To:** "[RKinslow@TownsendTree.com](mailto:RKinslow@TownsendTree.com)" <[RKinslow@TownsendTree.com](mailto:RKinslow@TownsendTree.com)>  
**Subject:** Contract

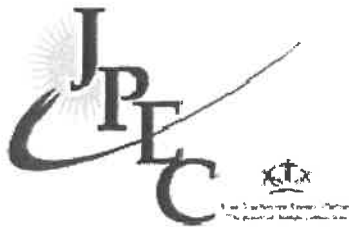
Rick,

After reviewing the need for Townsend to enter into a Contractor's Bond, Jackson Purchase Energy waves that need for the 2018-2021 ROW Clearing Contract and will not require Townsend to have the bond.

If you have any questions please give me a call.

Thank you,

Scott Ribble, P.E.  
V.P. of Engineering and Operations  
Jackson Purchase Energy Corporation  
P.O. Box 4030  
Paducah, KY 42002-4030  
270.441.0856 Direct  
270.442.5337 Fax



# ATTACHMENT 1

## SUPPLEMENTAL CONDITIONS AND SPECIFIC REQUIREMENTS

### I. SUPPLEMENTAL CONDITIONS

**General.** Whenever the terms 'units', 'unit prices', 'clearing units' and such are used in this document, they shall be interpreted to include the lump sum prices being quoted to clear each feeder listed herein.

**Other.**

The Contractor shall prepare and forward to the Owner a written weekly report outlining work performed the previous week, problems encountered and resolved, time lost due to inclement weather, issues requiring the Owner's input and/or assistance, etc. Any event upon which the Contractor intends to rely on for an extension of time and/or change order to the Contract shall be clearly and completely described in the first report issued after said event occurs. Failure to notify the Owner of such an event within ten (10) calendar days of its occurrence will negate any possibility of it being used to support a change to the Contract.

The Contractor shall maintain its tools and equipment in good working order and with as neat an appearance as possible considering the work being performed. The Owner will provide the services of its mechanics and facilities to perform routine maintenance and servicing should the Contractor so desire. Fees for this work will be negotiated prior to the performance of any such work.

The Contractor shall act as the Owner's representative in its Trade-A-Tree program and shall actively pursue the replacement of any tree located within the clear zones stated herein. As an incentive in this regard, the Owner will pay the Contractor \$75.00 for each tree replaced under this program.

Costs associated with sharp escalations in fuel prices over the course of this contract period shall be reimbursed by the Owner to the Contractor. During the term of this contract, should the price per gallon of gasoline or diesel fuel exceed \$3.50 or \$3.75, respectively, in the Owner's service territory on average, the Owner will reimburse to the Contractor the actual costs over these amounts per gallon for fuel used in the performance of this contract. The Contractor will be required to provide documentation of any amount requested under this provision.

The qualifications and experience of all individuals that will be working within fifteen (15) feet of energized primary facilities shall be submitted to the Owner before they perform any work under this Contract.

### II. SPECIFIC REQUIREMENTS

Work hereunder includes clearing of underbrush, tree removal, and such tree trimming as is required so that the right-of-way, except for tree stumps which shall not exceed three (3) inches in height, is clear from the ground up for the following distances:

- fifteen (15) feet each side of the pole centerline for single phase lines;
- twenty (20) feet for two and three phase lines.

Trimming or clearing associated with secondaries or services beyond the above stated distances is not included.

All stumps shall be chemically treated to prevent regrowth as needed. The Contractor shall furnish all chemicals and related supplies required for treatment.

Danger trees (defined as dead or leaning trees which, in falling, would affect the operation of the line) outside of the right-of-way shall be removed or topped at the discretion of the Contractor. Owner may also direct crews to remove danger trees as needed.

Debris resulting from the clearing operation shall be roller chopped and left on the right-of-way in such a manner as not to obstruct roads, ditches, drains, etc. Trees that are felled shall be cut to commercial wood lengths, stacked neatly, and left

on the right-of-way for the landowner.

Brush located in fence rows in the right-of-way may be mechanically cut or chemically treated at the Contractor's option except those items extending above the top of the fence shall be cut to the fence height. All chemicals, required permits, safety equipment, etc. shall be furnished by the Contractor.

The right-of-way of all overhead lines associated with the substations listed on Page 16 "**Attachment A**" shall be cleared under this Contract for the lump sum amount indicated. The sequence of clearing shall be in the order listed unless changed by the Owner by giving a minimum of thirty (30) days notice to the Contractor.





## Attachment B

### Townsend Payment Schedule

#### Right of Way Clearing Expense

Contract	2018			2019			2020			2021		
	Rate (Increase)	Qty.	Total	Rate (Increase)	Qty.	Total	Rate (Increase)	Qty.	Total	Rate (Increase)	Qty.	Total
Per Mile	1% \$ 2,259,833	443.3 mi	\$ 1,001,784.68	1% \$ 2,282,43	441.2 mi	\$ 1,007,009.42	1% \$ 2,305,26	456.8 mi	\$ 1,053,041.52	2% \$ 2,351.36	438.7 mi	\$ 1,031,542.69
<b>Location, Time and Equipment Rates</b>												
	<b>2018</b>			<b>2019</b>			<b>2020</b>			<b>2021</b>		
	Rate (Increase)	Unit		Rate (Increase)			Rate (Increase)			Rate (Increase)		
Bare ground	1% \$ 252.50	per sub		1% \$ 255.03	per sub		1% \$ 257.58	per sub		2% \$ 262.73	per sub	
Follar Spray	\$ 227.25	per acre		\$ 229.52	per acre		\$ 231.82	per acre		\$ 236.45	per acre	
Trade A Tree	\$ 75.00			\$ 75.75			\$ 76.51			\$ 78.04		
<b>T&amp;M Pricing</b>												
Foreman	2% \$ 25.88	per hr		2% \$ 26.39	per hr		2% \$ 26.92	per hr		1% \$ 27.19	per hr	
Trimmer Helper	\$ 22.35	per hr		\$ 22.80	per hr		\$ 23.25	per hr		\$ 23.48	per hr	
<b>Equipment</b>												
Remote Trimmer	1% \$ 55.13	per hr		0% \$ 55.13	per hr		0% \$ 55.13	per hr		0% \$ 55.13	per hr	
Bucket Truck	\$ 16.00	per hr		\$ 16.00	per hr		\$ 16.00	per hr		\$ 16.00	per hr	
Chipper	\$ 4.53	per hr		\$ 4.53	per hr		\$ 4.53	per hr		\$ 4.53	per hr	
Tractor	\$ 20.58	per hr		\$ 20.58	per hr		\$ 20.58	per hr		\$ 20.58	per hr	
Dump Truck	\$ 8.03	per hr		\$ 8.03	per hr		\$ 8.03	per hr		\$ 8.03	per hr	
Pickup	\$ 10.05	per hr		\$ 10.05	per hr		\$ 10.05	per hr		\$ 10.05	per hr	
Chainsaws	\$ 0.82	per hr		\$ 0.82	per hr		\$ 0.82	per hr		\$ 0.82	per hr	

TOWNSEND TREE SERVICE  
JACKSON PURCHASE CONTRACT REVIEW

<u>Lump Sum Job Review</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Annual mileage	446.85	456.84	441.16
Less miles completed thru 9/30/19	<u>0</u>	<u>0</u>	<u>-202.02</u>
Miles remaining	446.85	456.84	239.14
Revenue per mile	<u>\$2,351</u>	<u>\$2,305</u>	<u>\$2,282</u>
Total revenue remaining	\$1,050,705	\$1,053,135	\$545,820
Cost per mile based on 2019 jobs @ 9/30/19	<u>\$4,283</u>	<u>\$4,283</u>	<u>\$4,283</u>
Total cost remaining	\$1,913,725	\$1,956,509	\$1,024,165
YTD actual loss	\$0	\$0	(\$280,000)
Total projected loss	(\$863,019)	(\$903,374)	(\$758,345)

	ytd 8/31/19		2018		2017	
	Revenue	Margins	Revenue	Margins	Revenue	Margins
Account History - all types of work	\$798,436	(\$161,603)	\$1,239,676	\$18,841	\$1,346,666	\$123,214
				1.5%		9.1%

TOWNSEND TREE SERVICE  
 JACKSON PURCHASE JOBS - COST PER MILE  
 2018 & YTD 9/30/2019

<u>Circuit</u>	<u>Job #</u>	<u>Total Miles</u>	<u>Miles</u>		<u>Date Complete</u>	<u>Total Cost</u>	<u>Cost per Mile</u>		<u>Notes</u>
			<u>Complete</u>	<u>On-going</u>			<u>Mile</u>	<u>Mile</u>	
<b><u>2019 Jobs</u></b>									
Freemont	8016600	93.00	93.00		05/31/19	\$490,561	\$5,275		job lost (\$210k)
Smithland	8017000	130.05	88.79		on-going	\$309,050	\$3,481		job will be losing approx (\$57k) at 9/30/19
Cumberland River	8047200	28.91	20.23		on-going	\$65,580	\$3,242		job will be losing approx (\$13k) at 9/30/19
Totals			202.02			\$865,191	\$4,283		
<b><u>2018 Jobs</u></b>									
Ragland	8016300	67.00	67.00		02/17/18	\$133,072	\$1,986		
Culp	8016400	63.10	63.10		04/07/18	\$121,039	\$1,918		
Draffenville	8016500	10.75	10.75		04/14/18	\$22,289	\$2,073		
Husbands Rd.	8016700	51.10	51.10		09/08/18	\$148,793	\$2,912		
Palma	8016800	51.96	51.96		05/19/18	\$100,225	\$1,929		
Reidland	8016900	21.46	21.46		07/14/18	\$102,501	\$4,776		job lost (\$52k)
Possum Trot	8047100	56.72	56.72		12/08/18	\$215,232	\$3,795		job lost (\$76k)
Totals			322.09			\$843,151	\$2,618		

START DATE:	01/01/18															
END DATE:	08/31/19															
OU ID	OU Name	Job ID	Job Name	Labor Hours	Revenue	Labor	Fringe Benefits	Equipment	Other Costs	Total Direct Costs	Margin Before Overhead	Field Overhead	Corporate Overhead	YTD Net Margin	YTD Net Margin %	Cost per labor hr
1028	TTS Area - Tracy Kinslow	8016300	Jackson Pur Ragland	3,573.0	\$153,584	\$48,052	\$23,937	\$36,279	\$108	\$108,375	\$45,209	\$16,250	\$8,447	\$20,512	13.4%	\$30.33
1028	TTS Area - Tracy Kinslow	8016400	Jackson Purc. Culp	3,446.0	\$146,120	\$48,551	\$20,540	\$32,847	\$299	\$102,237	\$43,883	\$10,765	\$8,037	\$25,081	17.2%	\$29.67
1028	TTS Area - Tracy Kinslow	8016500	Jackson Purchase Draffenville	548.0	\$24,518	\$7,736	\$3,218	\$8,573	\$110	\$19,637	\$4,882	\$1,304	\$1,349	\$2,229	9.1%	\$35.83
1028	TTS Area - Tracy Kinslow	8016600	Jackson Purch. FREEMONT	12,171.8	\$280,033	\$173,972	\$73,719	\$158,247	\$1,030	\$406,967	(\$126,934)	\$50,572	\$15,402	(\$192,908)	-68.9%	\$33.44
1028	TTS Area - Tracy Kinslow	8016700	Jackson Purch. Husbands Rd	3,839.0	\$124,327	\$54,874	\$23,273	\$48,715	\$303	\$127,165	(\$2,838)	\$14,790	\$6,838	(\$24,466)	-19.7%	\$33.12
1028	TTS Area - Tracy Kinslow	8016800	Jackson Purch. Palma	2,862.0	\$122,221	\$39,999	\$17,940	\$23,559	\$967	\$82,465	\$39,756	\$11,037	\$6,722	\$21,996	18.0%	\$28.81
1028	TTS Area - Tracy Kinslow	8016900	Jackson Purch. Reidland	2,463.0	\$50,896	\$33,270	\$16,393	\$41,346	\$58	\$91,067	(\$40,171)	\$8,635	\$2,799	(\$51,605)	-101.4%	\$36.97
1028	TTS Area - Tracy Kinslow	8017000	Jackson Purch. Smithland	7,194.0	\$232,499	\$106,437	\$46,568	\$82,630	\$927	\$236,561	(\$4,063)	\$29,431	\$12,787	(\$46,281)	-19.9%	\$32.88
1028	TTS Area - Tracy Kinslow	8047100	Jackson Purchase Possum Trot	5,509.0	\$138,978	\$76,727	\$30,118	\$80,540	\$502	\$187,887	(\$48,909)	\$19,701	\$7,644	(\$76,254)	-54.9%	\$34.11
1028	TTS Area - Tracy Kinslow	8047200	Jackson Pu CUMBERLAND RIVER	645.0	\$26,124	\$10,103	\$3,713	\$4,308	\$44	\$18,168	\$7,956	\$2,556	\$1,437	\$3,963	15.2%	\$28.17
	Total			42,250.8	\$1,299,299	\$599,719	\$259,417	\$517,045	\$4,349	\$1,380,529	(\$81,230)	\$165,042	\$71,461	(\$317,733)	-24.5%	\$32.67
												12.70%	5.50%			
<b>2019 Jobs</b>																
1028	TTS Area - Tracy Kinslow	8016600	Jackson Purch. FREEMONT	12,171.8	\$280,033	\$173,972	\$73,719	\$158,247	\$1,030	\$406,967	(\$126,934)	\$50,572	\$15,402	(\$192,908)	-68.9%	\$33.44
1028	TTS Area - Tracy Kinslow	8017000	Jackson Purch. Smithland	7,194.0	\$232,499	\$106,437	\$46,568	\$82,630	\$927	\$236,561	(\$4,063)	\$29,431	\$12,787	(\$46,281)	-19.9%	\$32.88
1028	TTS Area - Tracy Kinslow	8047200	Jackson Pu CUMBERLAND RIVER	645.0	\$26,124	\$10,103	\$3,713	\$4,308	\$44	\$18,168	\$7,956	\$2,556	\$1,437	\$3,963	15.2%	\$28.17
	2019 Jobs Subtotal			20,010.8	\$538,656	\$290,511	\$123,999	\$245,185	\$2,001	\$661,696	(\$123,041)	\$82,559	\$29,626	(\$235,226)		\$33.07
												15.33%	5.50%			
<b>2018 Jobs</b>																
1028	TTS Area - Tracy Kinslow	8016300	Jackson Pur Ragland	3,573.0	\$153,584	\$48,052	\$23,937	\$36,279	\$108	\$108,375	\$45,209	\$16,250	\$8,447	\$20,512	13.4%	\$30.33
1028	TTS Area - Tracy Kinslow	8016400	Jackson Purc. Culp	3,446.0	\$146,120	\$48,551	\$20,540	\$32,847	\$299	\$102,237	\$43,883	\$10,765	\$8,037	\$25,081	17.2%	\$29.67
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1028	TTS Area - Tracy Kinslow	8016800	Jackson Purch. Palma	2,862.0	\$122,221	\$39,999	\$17,940	\$23,559	\$967	\$82,465	\$39,756	\$11,037	\$6,722	\$21,996	18.0%	\$28.81
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1028	TTS Area - Tracy Kinslow	8047100	Jackson Purchase Possum Trot	5,509.0	\$138,978	\$76,727	\$30,118	\$80,540	\$502	\$187,887	(\$48,909)	\$19,701	\$7,644	(\$76,254)	-54.9%	\$34.11
	2018 Jobs Subtotal			22,240.0	\$760,644	\$309,208	\$135,417	\$271,860	\$2,347	\$718,833	\$41,811	\$82,483	\$41,835	(\$82,507)		\$32.32
												10.84%	5.50%			



June 2, 2020

Brian Dalland  
Regional Manager  
Townsend Tree Service

**RE: Right-Of-Way Refusal and Non Responsive Members**

Dear Mr. Dalland,

Townsend Tree Service (Townsend) has been performing Right-Of-Way (ROW) maintenance on Jackson Purchase Energy Cooperative's (JPEC) Cunningham Circuit out of the Lovelaceville Substation in Cunningham, KY since the end of January 2020. There are several locations on this circuit where JPEC has made numerous attempts to contact or resolve issues with property owners about his or her trees that need to be maintained. Townsend's procedure states that their crews are not allowed to perform ROW maintenance unless the member has granted permission. JPEC has made repeated attempts to communicate our ROW needs with the member that have gone ignored. These attempts included; cold calls, door hangers and phone calls. JPEC also has some locations where the member has refused to discuss any ROW maintenance and has ignored further attempts to communicate. As a result, Townsend has been slow to complete their required ROW clearing work and has asked JPEC for relief to be allowed to perform the needed maintenance at these locations.

JPEC agrees with Townsend that contracted work must be completed. Therefore, please accept this letter as permission to complete all required ROW work as assigned by the JPEC forester without having the permission of the property owner. This permission only extends to the Cunningham Circuit. All other circuit work will be reviewed on a case by case basis. All provisions of the contract between JPEC and Townsend remain in effect. Final letters have been sent to all JPEC members who have refused to work with our forester on ROW maintenance needs informing them that our contractor will be there to do the required work.

JPEC acknowledges that by forwarding this letter to Townsend, it is directing and authorizing Townsend to perform ROW maintenance in some instances without member permission. These actions may expose Townsend as well as JPEC to claims and litigation against it by JPEC members (the "claimants").

To the extent permitted by law, JPEC will indemnify and hold Townsend harmless as well as its affiliates, directors, officers, and employees from all claims filed or asserted against Townsend, its affiliates, directors, officers, and employees from all claims, demands, and causes of action arising out of Townsend's presence on members' property without their permission. This indemnity and hold harmless does not apply to any intentional or negligent acts of Townsend, its



affiliates, directors, officers, or employees.

In the event JPEC is required to indemnify and hold Townsend harmless, then JPEC shall completely resolve said claims by all means necessary and shall notify Townsend, being sure to obtain a release of Townsend upon resolution of the claim. In the event JPEC does not obtain a release for Townsend, then Townsend shall retain all rights and remedies available to it by law.

If you should have any questions, please give me a call at 270.441.0856 or email me at [scott.ribble@jpenergy.com](mailto:scott.ribble@jpenergy.com).

Sincerely,

A handwritten signature in blue ink that reads "Scott Ribble". The signature is written in a cursive, flowing style.

Scott Ribble  
Jackson Purchase Energy Cooperative

		Per Hr.	Yearly					
				Jan	Feb	Mar	Apr	May
<b>ACRT</b>	CUF 1	\$ 33.10	\$ 68,848.00	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93
	Truck	\$ 8.66	\$ 18,012.80	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87
	Phone	\$ 0.85	\$ 1,768.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00
	iPad/Card	\$ 1.08	\$ 2,246.40	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33
			\$ 90,875.20	\$167,749.13	\$167,749.13	\$167,749.13	\$167,749.13	\$167,749.13
<b>Bid Work (335 Miles)</b>		\$4,500.00	\$1,507,500.00					
<b>Hourly</b>	Foreman	\$ 26.92	\$ 55,993.60	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92
	Helper	\$ 23.25	\$ 48,360.00	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17
	Truck	\$ 16.00	\$ 33,280.00	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75
	Pickup	\$ 10.50	\$ 21,840.00					
	Chipper	\$ 4.53	\$ 9,422.40					
	Chain Saw	\$ 0.82	\$ 3,411.20					
		\$ 172,307.20	per hourly crew	Total	Miles per year cycle			
		\$ 344,614.40	two hourly crews	1800	4 years	5 years	6 years	
					450	360	300	
<b>Trade-A-Tree</b>		\$ 70,000.00						
<b>Chemical</b>		\$ 65,000.00						

**Total \$2,077,989.60** Total 2020 ROW cost

To Do  
Inventory the 13 crews?

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 7,572.93	\$ 90,875.20	
\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 28,717.87	\$ 344,614.40	
\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$125,625.00	\$1,507,500.00	
10000	20000	20000	20000	15000				\$ 65,000.00	
\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 70,000.00	
\$177,749.13	\$187,749.13	\$187,749.13	\$182,749.13	\$167,749.13	\$167,749.13	\$167,749.13	\$167,749.13	\$2,077,989.60	
\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$ 93,258.92	\$1,121,124.00	\$ 956,865.60
\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$113,748.17	\$1,366,996.00	\$ 710,993.60
\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 79,918.75	\$ 959,025.00	\$1,118,964.60

Difference

Sit in on part of process?