

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT entered into effective March 1, 2019, by and between the **CITY OF WHITESVILLE, KENTUCKY** (“Franchisor”) and **KENERGY CORP.**, Post Office Box 18, Henderson, KY 42419 (“Franchisee”);

WHEREAS, the City of Whitesville advertised for bids for a non-exclusive franchise to construct, maintain, operate, repair and remove an electric transmission and/or distribution system;

WHEREAS, Kenergy Corp. was a successful bidder for the franchise; and

WHEREAS, the terms and conditions of the franchise are stated in Ordinance 01.19 of the City of Whitesville, KY;

NOW, therefore, the parties hereby **AGREE** that Kenergy Corp. is awarded a non-exclusive franchise to construct, maintain, operate, repair and remove an electric transmission and/or distribution system for a period of five (5) years commencing April 1, 2019, and continuing thereafter until expiration. The annual fee for the franchise is three percent (3%) of gross revenues assessed on all businesses and residences in the corporate limits of Whitesville, KY, payable quarterly. The terms and conditions of the franchise are as set forth in Ordinance 01.19 which is incorporated by reference herein.

This the date above written.

CITY OF WHITESVILLE, KY

By Patsy Mayfield
Patsy Mayfield, Mayor

ATTEST:

Janet Perez
City Clerk

KENERGY CORP.

By Jeff Hohn
Jeff Hohn, President and CEO

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ORDINANCE 01.19

AN ORDINANCE PROVIDING FOR THE SALE OF A NON-EXCLUSIVE FRANCHISE OR PRIVILEGE TO CONSTRUCT, MAINTAIN, OPERATE, REPAIR AND REMOVE AN ELECTRIC TRANSMISSION AND/OR DISTRIBUTION SYSTEM, TOGETHER WITH ALL NECESSARY OR CONVENIENT POLES, WIRES, LINES, ANCHORS AND OTHER FACILITIES AND APPURTENANCES FOR THE PURPOSE OF TRANSPORTING, DISTRIBUTING AND VENDING ELECTRIC ENERGY FOR PUBLIC AND PRIVATE USES ALONG, OVER AND ACROSS THE STREETS, AVENUES, LANES, ALLEYS AND PUBLIC GROUNDS OF THE CITY OF WHITESVILLE, DAVIESS COUNTY, KENTUCKY, FOR A PERIOD OF FIVE (5) YEARS. SAID SALE SHALL BE 3% OF REVENUES ASSESSED ONLY AGAINST RESIDENTS/BUSINESSES RESIDING WITHIN THE CORPORATE LIMITS OF THE CITY OF WHITESVILLE AND IS PAYABLE QUARTERLY.

NOW, THEREFORE, BE IT ORDAINED by the City Commission of the City of Whitesville as follows:

That the right and privilege to use the public streets, avenues, lanes, alleys and public grounds within the city limits of the City of Whitesville, Daviess County, Kentucky, for the purpose of constructing, maintaining, operating, repairing and removing an electric transmission and/or distribution system, together with poles, lines, wires, anchors and other facilities appurtenant or incident thereto for the transportation, distribution and sale of electric energy to service the City of Whitesville, and public and private uses therein, including adjoining rural area, for a period of five (5) years commencing April 1, 2019, be duly advertised for sale publicly to the highest and best bidder, the City of Whitesville reserving the right to reject any and all bids. Said sale shall be 3% of revenues assessed only against residents/businesses residing within the corporate limits of the City of Whitesville, payable quarterly, plus all cost of advertising and selling. Said sale shall be subject to confirmation and ratification or rejection by the Whitesville City Commission.

The sale of the franchise herein contemplated shall be made by Janet Perez, City Clerk of the City of Whitesville, or by someone designated by her, who is hereby commissioned to make due advertisement of said sale, which advertisement shall include a description of said franchise, right and privilege in the Owensboro Messenger Inquirer, a newspaper of general circulation published in the City of Owensboro, Daviess County, Kentucky. The newspaper advertisement aforesaid shall be published in said newspaper one (1) time not less than seven (7) days nor more than twenty-one (21) days before the sale and within thirty (30) days after the final passage of this ordinance.

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The said City Clerk shall submit a report of the sale in writing to the Whitesville City Commission at its next regular meeting after the sale. The terms and conditions of the franchise, right and privilege so to be advertised and offered for sale, and to be granted in the event the sale is confirmed by the Whitesville City Commission shall be as follows:

SECTION ONE: The purchaser, his or its successor or assigns, shall have the non-exclusive franchise, privilege, right and power to use and occupy the streets, avenues, alleys, lanes and public grounds within the city limits of the City of Whitesville to construct, maintain, operate, repair and remove an electric transmission and/or distribution system consisting of transmission and/or distribution poles, lines, wires, anchors and all other facilities and appurtenances necessary or convenient for the purpose of transporting, distributing, vending and conveying electric energy for public and private uses in the City of Whitesville and adjoining rural areas, during a term of five (5) years commencing April 1, 2019. Said sale shall be 3% of revenues assessed against residents/businesses within the corporate limits of the City of Whitesville payable quarterly; provided, however, said franchise may be terminated at the end of four (4) years by either party mailing or delivering to the other party written notice of intent to terminate at least 120 days prior to the end of the year.

SECTION TWO: Said construction, operation, maintenance, repair and removal shall be accomplished with the least practicable inconvenience to the public or individuals and with reasonable dispatch and diligence. All damage to the streets, sidewalks or other public property caused by such operations shall be repaired by the purchaser, his or its successor or assigns, at his or its proper cost and without necessary delay. The purchaser, his or its successors or assigns shall be responsible for all injuries or damage to persons or property occasioned by want of care or negligence in conducting such operation.

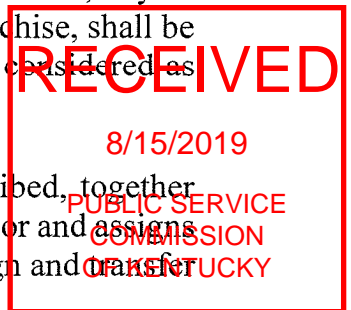
The purchaser agrees to the underground placement of power lines and/or facilities in accordance with the purchaser's underground policy. Every reasonable effort shall be made by the purchaser to locate new power lines and/or facilities underground.

The purchaser agrees to allow the City of Whitesville to utilize its power lines and/or facilities for special events, provided said utilization does not violate purchaser's safety regulations and any applicable law.

SECTION THREE: The purchaser, his or its successors or assigns, shall have the right to remove all of its property and facilities from the streets, avenues, lanes, alleys, ways and public grounds of the City of Whitesville, within a reasonable time after the expiration or other termination of this franchise.

SECTION FOUR: All franchises previously granted by the City of Whitesville, any of which is now held or may hereafter be acquired by the purchaser of this franchise, shall be hereby canceled and revoked and the terms of any such franchise shall be considered as superseded by the franchise hereby created and defined.

SECTION FIVE: The franchise, right, privilege and power herein described, together with all the terms and conditions hereof, shall extend and apply to the successor and assigns of the purchaser, and unlimited and unrestricted power and authority to assign and transfer



the same at will and without further consent thereto by the City of Whitesville, or its inhabitants, is hereby expressly given and granted to the purchaser, his or its successors and assigns.

SECTION SIX: The purchaser, his or its successors or assigns shall proceed with due diligence to obtain any required approval of applicable public regulatory bodies, to apply for and operate under this franchise.

SECTION SEVEN: All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed and this ordinance shall be in full force and effect from and after its final passage and publication.

INTRODUCED and PUBLICLY READ on this the 27th day of March, 2019.

PUBLICLY READ AND ADOPTED on second reading on this 28th day of March, 2019.

Patsy Mayfield
Patsy Mayfield, Mayor
City of Whitesville, KY

Date: 3-28-19

ATTEST:

Janet Perez
Janet Perez, City Clerk
City of Whitesville, KY

