

SPECIAL AGREEMENT FOR ELECTRIC SERVICE

BETWEEN

NOLIN RECC AND FLINT INK CORPORATION

FILED

FEB 18 1982

PUBLIC SERVICE
COMMISSION

AGREEMENT, made February 3, 1982,

between NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION (hereinafter called "Seller"), and FLINT INK CORPORATION (hereinafter called "Consumer"), with a manufacturing plant located in the environs of Elizabethtown, Kentucky.

The Seller shall make available, sell and deliver to the Consumer, and the Consumer shall purchase from Seller all of the electric power and energy which the Consumer may need at the location described in Exhibit A, attached hereto and by this reference made a part hereof, up to 8,000 kilowatts of capacity, upon the following terms:

1. Service Characteristics

a. Service hereunder shall be alternating current, three (3Ø) phase, four (4) wire, sixty hertz at nominal standard 12,470 volts. The Seller shall install or cause to be installed and prepare the facilities for the permanent service to be made available hereunder as soon as possible, but not later than October 1, 1981. Notwithstanding the foregoing description of the capacity of the service as 8,000 kilowatts, it is hereby understood and agreed that no transformers will be installed by the Seller.

b. The Consumer shall not sell electric power and energy purchased hereunder.

c. Power shall be used by the Consumer in such manner as will not cause objectionable voltage fluctuations or other electrical disturbances on Seller's system. The Seller may require the Consumer, at the Consumer's expense, to install such corrective measures as will reasonably limit such fluctuations and disturbances. The Consumer shall at all times take and use power in such manner that the load at the point of delivery shall not cause an imbalance between phases of more than 10%. If the load is unbalanced more than 10%, the Seller reserves the right to require the Consumer, at the Consumer's expense, to make the necessary changes to correct such condition. In addition to any other remedies the Seller may have hereunder, if the Consumer does not make such changes, the Seller may, in its determination of Billing Demand, assume that the load on each phase is equal to the greatest load on any phase.

2. Rates and Payment

a. The Consumer shall pay the Seller for services hereunder at the rates and upon the terms and conditions set forth in Flint Ink Schedule, to be placed on file with the Public Service Commission of Kentucky. A copy of this schedule is attached to and made a part of this Agreement. Notwithstanding any provision of the Schedule and irrespective of Consumer's requirements for, or use of, electric power and energy, the

Consumer shall pay to the Seller not less than \$1,500.00 per month.

In addition, the Consumer will pay the amount of any sales, use, franchise or utility taxes, or charges now or hereafter applicable to or arising out of the service rendered or made available hereunder; Public Service Commission Assessments are inherent in the basic rates.

b. The initial billing period shall start when Consumer begins using electric power and energy or immediately after the Seller notifies the Consumer in writing that service is available hereunder, whichever should occur first.

c. Bills due hereunder shall be paid at the office of the Seller in Elizabethtown, State of Kentucky. Such payments shall be due on the 10th day of each month for services furnished or made available during the preceding month. If the consumer shall fail to make any such payment within 10 days after such payment is due, the Seller may discontinue service to the Consumer upon giving 15 day's written notice to the Consumer of its intention to do so, provided, however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement, including, without limitation, the obligations contained in Section 6.

d. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make a corresponding

modification in the rate for service hereunder subject to Public Service Commission of Kentucky approval, provided, however, that the kilowatt demand charge shall not be increased more than \$0.10 per KW above that charged by the wholesale power supplier. Such provisions apply for the duration of this agreement.

3. Membership

a. The consumer shall become a member of the Seller, shall pay the organizational membership fee and be bound by such membership rules and regulations as may from time to time be adopted by the Seller.

b. The parties acknowledge that while the Seller is required by statute and by its by-laws to operate as a non-profit corporation, the Seller is required by statute and by its first mortgage to set rates and charges sufficient not only to cover operating costs and expenses and interest and amortization of outstanding obligations, but also to establish reasonable capital reserves; and that the rates and charges provided for herein have accordingly been established to that end. Due to the amount and character of the electric power and energy to be supplied hereunder, it is understood and agreed that, unless the Seller be prevented from so doing by law or regulation or any authority or agency having jurisdiction in the premises, it shall compute the Consumer's capital credits by determining the costs and expenses assignable and allocable to the Consumer for its services hereunder and shall assign capital credits to the Consumer in accordance with the by-laws established for the Seller.

4. Continuity of Service

Notwithstanding anything herein to the contrary, the Seller shall not be liable for damages to the Consumer occasioned by reductions, curtailments or interruptions of service or for failure to commence delivery as a result of "Force majeure". In the event that the Seller shall be rendered wholly or in part unable by force majeure to carry out its obligations hereunder, this Agreement shall not be terminated, but the obligations of the Seller, so far, but only so far, as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and the Seller shall remedy such inability with all reasonable dispatch.

The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, civil disturbances, explosions, breakdown or failure of machinery, equipment or facilities, actions or orders of any governmental authority or Court, having jurisdiction in the premises and any other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of the Seller and which by the exercise of reasonable diligence, the Seller is unable to prevent or overcome; such term likewise includes: (a) in those instances where the Seller is or the Seller's wholesale supplier required to obtain rights, easements, or permits to

enable the Seller to fulfill its obligations, the inability of the Seller or the Seller's wholesale supplier to acquire, or the delays in acquiring, at reasonable cost and after the exercise of reasonable diligence, such rights, easements or permits; (b) in those instances where the Seller or the Seller's wholesale supplier is required to obtain materials and supplies for the purpose of constructing or maintaining facilities to enable the Seller to fulfill its obligations, the inability of the Seller or the Seller's wholesale supplier to acquire, or the delays in acquiring at reasonable cost and after the exercise of reasonable diligence, such materials and supplies; and (c) those instances where construction, change-over, inspection, repair or maintenance of the electrical facilities of the Seller are necessary in the judgment of the party performing the work. The settlement of strikes or labor disturbances involving the Seller or the Seller's wholesale supplier shall be entirely within the discretion of the Seller or the Seller's wholesale supplier and any requirement that force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or labor disturbances by acceding to the demands of the opposing party or parties when such course is inadvisable in the discretion of the Seller or the Seller's wholesale supplier.

5. Right of Access

a. The Consumer, without cost to the Seller, shall convey to the Seller a suitable agreed upon site on the Consumer's premises for use as a metering facility. Such conveyance shall be in fee simple for so long as the site is used by the Seller to furnish electrical power and energy to the Consumer. At such time as the site is no longer used by the Seller for such purposes, it shall revert to the Consumer in fee simple automatically, without the necessity of any action being taken or claim being made by the Consumer. It is agreed, however, that in the event of such reversion, Seller shall have thirty (30) days to remove any improvements erected by Seller upon such site. The Consumer shall also provide the Seller with such easements for the 12,470 volt 3^Ø underground distribution line as are required to connect the service to be provided by Seller, and shall take reasonable steps to provide for the safekeeping of such equipment and facilities and to prevent the access thereto by unauthorized persons.

b. Duly authorized representatives of the Seller shall be permitted to enter the Consumer's premises at all times in order to carry out the provisions hereof.

6. Term

a. This Agreement shall become effective on the date first above written and shall remain in effect as provided herein until five (5) years following the start of the initial billing period and thereafter until terminated by either party

giving to the other three (3) months' notice in writing; nevertheless it is explicitly understood that the Consumer is liable under the conditions stated herein for a full five (5) years at a minimum of One Thousand Five Hundred (\$1,500.00) Dollars per month in order that the Seller might recover its original investment required to construct the electrical lines to the Consumer. The Seller may terminate this Agreement prior to the expiration of the term hereof upon the Consumer's failure to make the payments required by Section 2 of this Agreement or upon any other breach of this Agreement by the Consumer, and the Consumer shall pay to the Seller, in addition to any other amounts which may be due hereunder, monthly demand charges for a period of 12 months following such termination based on the Consumer's monthly demand during the 12 months preceding such termination calculated in accordance with the rate schedule or schedules as in effect during the 12-month period following such termination.

b. This agreement shall be revised at any time when the Consumer's load shall require a sub-station and the necessary transmission lines to serve such a load. (Refer to East Kentucky Power Cooperative's letter of March 12, 1981 attached herewith and made a part hereof.) In event Consumer's load increase necessitates a new sub-station and associated transmission lines, it is understood that the cost of construction

of said sub-station and lines shall comport with the afore-referenced letter and be passed thru to the appropriate Consumer or consumers, and with a provision for restitution.

7. Succession and Approval

a. This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto.

b. This Agreement shall not be effective unless approved in writing by the Administrator of the Rural Electrification Administration.

8. Regulatory Jurisdiction

This Agreement is subject to the laws, rules and regulations pertaining to the jurisdiction of the Public Service Commission of Kentucky.

9. Renegotiation

It is mutually understood and agreed that Seller's wholesale supplier is in the process of preparing an off-peak rate to offer to Seller and when such rate is offered to Seller the agreement herein shall be reviewed and renegotiated. In the meantime, demand and energy billing, consonant however with the terms of this Agreement, shall be computed under Seller's Flint Ink Schedule to be placed on file with the Public Service Commission of Kentucky. A copy of Seller's Flint Ink Schedule is attached hereto and made a part hereof.

10. Deposit

NO DEPOSIT REQUIRED.

11. Captions

The headings in this Agreement are for the convenience of the parties hereto and shall in no way affect the construction or interpretation of this Agreement or any part hereof.

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

NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION (SELLER)

BY: Robert C. Wade
President

ATTEST:

Howard Rayland
Secretary

FLINT INK CORPORATION (CONSUMER)

BY: John V. [Signature]
Officer:

ATTEST:

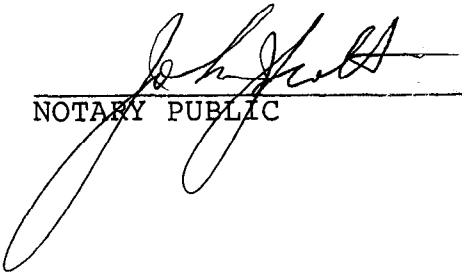
R. W. Clarke
Secretary

If other than president, vice president, partner or owner, a power of attorney must accompany this Agreement.

STATE OF KENTUCKY

COUNTY OF HARDIN

I, John J. Scott, a notary public, do hereby certify that on this 3rd day of Feb., 1982, personally appeared before me Robert C. Wade and Howard Rayland, who being by me first duly sworn, declared that they are the President and Secretary respectively of Nolin RECC, that they signed the foregoing document as President and Secretary respectively of Nolin RECC, and that the statements therein contained are true.

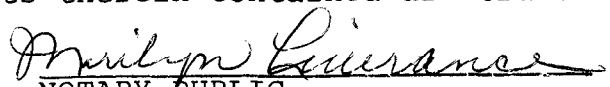

NOTARY PUBLIC

My commission expires: 9-25-85

STATE OF MICHIGAN

COUNTY OF WAYNE

I, MARILYN LIVERANCE, a notary public, do hereby certify that on this 11th day of January, 1982, personally appeared before me H. HOWARD FLINT, II and T. W. CLARKE, who being by me first duly sworn, declared that they are the Vice President and Secretary, respectively, of Flint Ink Corporation, that they signed the foregoing document as Vice President and Secretary, respectively, of Flint Ink Corporation and that the statements therein contained are true.


NOTARY PUBLIC

My commission expires: _____

MARILYN LIVERANCE
Notary Public, Oakland County, Michigan
Acting In Wayne County, Michigan
My Commission Expires January 23, 1985

Form for filing Rate Schedules

FOR - FLINT INK CORPORATION

NOLIN R.E.C.C.

P.S.C. NO. _____

P.O. Box 668

SHEET NO. 1

Elizabethtown, Ky. 42701

CANCELLING P.S.C. NO. - N/A

Name of Issuing Corporation

SHEET NO. _____

CLASSIFICATION OF SERVICE

RATE PER UNIT

FLINT INK SCHEDULE

APPLICABLE: Flint Ink Corporation (Chromatic Color Corp.
Elizabethtown, Ky.)

TYPE OF SERVICE: Three phase 60 hertz at 12,470 volts, as
agreed to in the special five (5) year Agreement for Service.

RATES PER MONTH:

Demand Charge:

\$5.95 per kilowatt of billing demand per month

Energy Charge:

All KWH at \$0.0300 Net per KWH

MINIMUM CHARGE: The minimum monthly charge shall be as
specified in the Agreement for Service - \$1,500.00.

DATE OF ISSUE August 1, 1981

DATE EFFECTIVE Electric service

rendered on or after August 1, 1981

ISSUED BY

Jack H. Hargle
Name of Officer

TITLE General Manager

Issued by authority of an Order of the Public Service Commission in Case
No. N/A dated N/A

Form for filing Rate Schedules

FOR - FLINT INK CORPORATION
P.S.C. NO. _____

NOLIN R.E.C.C.
P.O. Box 668
Elizabethtown, Kentucky 42701
Name of Issuing Corporation

_____ SHEET NO. 2
CANCELLING P.S.C. NO. N/A
_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

RATE PER UNIT

FLINT INK SCHEDULE (Cont'd.)

DETERMINATION OF BILLING DEMAND: The billing demand shall be the maximum kilowatt demand established by the consumer for any period of fifteen consecutive minutes during the month for which the bill is rendered, as indicated or recorded by a demand meter and adjusted for power factor as follows:

POWER FACTOR ADJUSTMENT: The consumer agrees to maintain unity power factor as nearly as practicable. Power factor may be measured at any time. Should such measurements indicate that the power factor at the time of his maximum demand is less than % , the demand for billing purposes shall be the demand as indicated or recorded by the demand meter multiplied by 85% and divided by the percent power factor.

CONTRACT FOR SERVICE: The consumer must give satisfactory assurance by means of a written agreement as to the character, amount and duration of the business and complete a five (5) year contract.

FUEL ADJUSTMENT CLAUSE: The above rate may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve month moving average of such losses.

POWER COST INCREASE: Refer to Section 2d of the "Agreement for Electric Service."

DATE OF ISSUE August 1, 1981 DATE EFFECTIVE Electric service

rendered on or after August 1, 1981

ISSUED BY *William H. Kaagle* TITLE General Manager

Name of Officer

Issued by authority of an Order of the Public Service Commission in

Case No. N/A dated N/A