

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT made and entered into this the 22<sup>nd</sup> day of November, 1989, by and between THE CITY OF GREENSBURG, a political subdivision of the Commonwealth of Kentucky, of 105 West Hodgenville Avenue, Greensburg, Kentucky, 42743, (hereinafter called the "City"), and TAYLOR COUNTY RECC, a Kentucky corporation, of P.O. Box 100, Campbellsville, Kentucky, 42718, (hereinafter called the "Grantee");

WITNESSETH, THAT WHEREAS, the Grantee has responded to a request for bids by the City (a copy of which bid is attached hereto as Exhibit "A") to erect, construct, maintain and operate a system for the production, transmission, distribution and sale of electricity to the incorporated areas of the City and to its inhabitants, as a result of a Franchise Ordinance (a copy of which Ordinance is attached hereto as Exhibit "B") enacted by said City; and

WHEREAS, the City at a regular called meeting of the Greensburg City Council on November 6, 1989, at 6:00 P.M., central time, awarded to the Grantee a non-exclusive franchise to establish said electrical system within the incorporation areas of the City, under the terms and conditions set forth in this Agreement, the Bid and the Ordinance;

NOW THEREFORE, for and in consideration of the foregoing and the mutual promises herein contained, the parties hereto agree as follows:

1. Upon the conditions herein set forth and in accordance with sections 163 and 164 of the Constitution of the Commonwealth of Kentucky, the City does hereby grant to the grantee a non-exclusive franchise to erect, construct, maintain, and operate in and through the City of Greensburg, Green County, Kentucky, for a term of twenty (20) years, a system for the production, transmission, distribution and sale of electricity for lighting, heating, power and other purposes (hereinafter referred to as the system) within the corporate limits of the city, and to construct, operate and maintain all such poles, wires, conduits,



and other apparatus and equipment as may be necessary or convenient for such system in, upon, along, over, across, above and under each and all of the streets, alleys, avenues and other public places in the city, subject to the conditions and regulations hereinafter set forth.

2. All poles and wires erected hereunder shall be placed in alleys wherever practicable so to do, and shall be so placed, whether on streets, alleys, avenues or other public places, as not to interfere unnecessarily with travel on such streets, alleys, avenues and public places, and shall be erected under the supervision of such duly authorized agent as the city council of the city may from time to time designate. If the Grantee hereunder is subject to the rules and regulations of the Rural Electification Association (REA), then the installation, construction, use and maintenance of such system shall comply with the applicable rules and regulations of the REA, as those rules and regulations may from time to time be promulgated or amended. Any system of the Grantee as it exists at the time of passage of this ordinance shall be deemed to be in full compliance with this ordinance.

The City shall have the right to the use of one crossarm on the poles of the Grantee for the police and fire alarm service wires of the City, provided that any such crossarms and wires of the City shall be so placed and maintained by the City, under the direction of the Grantee, as not to interfere with the wires of said Grantee.

The Grantee shall be subject to all reasonable regulations which may now or hereafter be prescribed by general ordinance of the City with respect to the use of the public streets, alleys, avenues and other public places of the City.

3. When at any time hereafter any house or building shall be moved by permission of the City, or its proper officers, along, across or upon any of the streets, alleys, avenues or other public places of the City, the Grantee, its successors and assigns, shall upon receiving written notice from the City to that effect, and within twenty-four hours after receiving such



written notice, so cut, remove or adjust its said wires or poles that the same will in no way interfere with the moving of any such house or building, provided, however, that such cutting, removing and adjusting of said wires and poles shall be done at such time of the day or night as will least interfere with the public use by the Grantee of such wires and poles for the benefit of the inhabitants of the City and the successful operation of the Grantee's electric light and power system. All questions as to the time when any of said wires and poles shall be so cut, removed, or adjusted for the purpose aforesaid shall be decided by the City, or its proper officers, and such decision shall be final. Any person or entity requesting that Grantee move any of its poles or wires or any other part of its system shall pay the Grantee for its actual costs in providing such service.

4. In the event that, during the term of this franchise or any renewals thereof, there is asserted against the City any claim for loss or damage arising from the operation, maintenance or use of Grantee's utility system within the City as that may hereafter exist consistent with the terms of this franchise, and in the further event that such claim asserted against the City shall be determined to have arisen solely from the culpable conduct or activity of the Grantee, and in the absence of culpable conduct or activity chargeable to the City, then and in such events, Grantee will indemnify, defend, and hold harmless the City with respect to such claim, and any loss to the City with respect to such claim, and any loss to the City arising therefrom. In recognition of that obligation imposed upon Grantee hereunder, Grantee shall, during the term of this franchise or any renewals thereof, maintain public liability insurance with aggregate coverage limits in an amount of not less than ONE MILLION DOLLARS (\$1,000,000.00); and Grantee shall, upon request from the City, provide satisfactory evidence of the continued existence of such insurance coverage.

5. No sale or transfer of the Grantee's system or the transfer of any rights under this franchise shall be effective until the vendee, assignee or lessee has filed in the office of



the City Clerk an instrument duly executed reciting the fact of such sale, assignment or lease accepting the franchise terms and agreeing to perform all the conditions.

6. The Grantee shall pay to the City a franchise fee during the term of this franchise in an amount equal to Three Percent (3%) of the annual gross operating revenues from the sale of electricity through the Grantee's distribution system within the City. This amount paid on a monthly basis for franchise fees that will be collected on a monthly basis beginning with the November 25, 1989, billing period. This franchise fee shall be collected and paid, so long as the Grantee shall supply and sell electricity within the City or so long as this franchise is in effect. The City shall have access at all reasonable times to the books of the Grantee for the purpose of determining the amount due to the City under this section. The Grantee shall also furnish the City an annual report showing the amount of sales within the City.

7. Upon the expiration of this franchise the Grantee may remove within a reasonable length of time all movable structures and components of its system.

8. The Grantee shall provide to the City, free of cost, street lights, the kind and quality of same to be mutually agreed upon by the Grantee and the City at the time of installation. Such street lights shall be installed along the Grantee's system at the request of the City, and in such places as it shall designate. The City shall pay for all electricity used by or supplied to such street lights.

9. The Grantee shall bear the publication expenses of the enabling ordinance herein and any other publication expenses associated therewith.

10. If any section, subsection, sentence, clause, phrase or portion of this Franchise Agreement or the enabling Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate,



distinct and independent provision, and such holding shall not effect the validity of the remaining portions hereof.

CITY OF GREENSBURG

William F. Taylor  
William F. Taylor, Mayor

ATTEST:

Wilma DeSpain  
Wilma DeSpain, City Clerk

TAYLOR COUNTY RECC

by: Barry L. Myers

ATTEST:

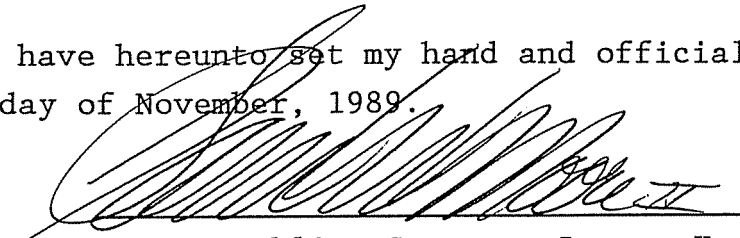
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STATE OF KENTUCKY  
COUNTY OF GREEN

Before me, a Notary Public, in and for the State and County aforesaid, on this 22<sup>nd</sup> day of November, 1989, personally appeared the above-named City of Greensburg, a political sub-division of the State of Kentucky, by and through William F. Taylor, its Mayor, and Wilma DeSpain its City Clerk, who acknowledged that they be such officials and also acknowledged the execution of the foregoing Franchise Agreement as their free act and deed personally and as such officials and the free act and deed of said City of Greensburg.



IN WITNESS WHEREOF, I have hereunto set my hand and official seal this the 22<sup>nd</sup> day of November, 1989.

  
Notary Public, State at Large, Ky.

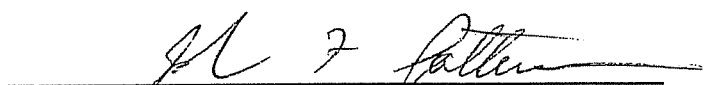
My commission expires April 23, 1992.

STATE OF KENTUCKY

COUNTY OF Taylor

Before me, a Notary Public, in and for the State and County aforesaid, on this 27<sup>th</sup> day of November, 1989, personally appeared the above-named Taylor County RECC, a Kentucky corporation, by and through Barry L. Myers, its <sup>manager</sup> President, and \_\_\_\_\_ its Secretary, who acknowledged that they be such officers and also acknowledged the execution of the foregoing Franchise Agreement as their free act and deed personally and as such officer and the free act and deed of said corporation.

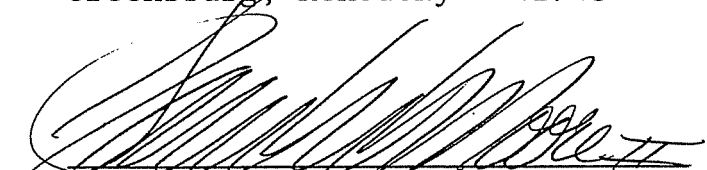
IN WITNESS WHEREOF, I have hereunto set my hand and official seal this the 27<sup>th</sup> day of November, 1989.

  
Notary Public

My commission expires February 17, 1993.

This instrument prepared by:

SAM W. MOORE II  
Attorney for the City of Greensburg  
P. O. Box 146  
131 N. Public Square  
Greensburg, Kentucky 42743

  
Sam W. Moore II

