

RESOLUTION NO. 173 - 2023

A RESOLUTION RENEWING THE FRANCHISE AGREEMENT WITH BLUE GRASS ENERGY COOPERATIVE CORPORATION FOR A FINAL ADDITIONAL TERM OF FIVE YEARS PURSUANT TO THE PROVISIONS OF ORDINANCE NO. 35-2013 AS AMENDED BY ORDINANCE NO. 102-2013, AND AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT, TO EXECUTE ANY NECESSARY DOCUMENTS RELATED TO THE RENEWAL.

BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the franchise agreement with Blue Grass Energy Cooperative Corporation be and hereby is renewed for a final additional term of five years beyond its current expiration date pursuant to the provisions of Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, and the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized and directed to execute any necessary documents related to the renewal.

Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: March 23, 2023



MAYOR

ATTEST:



CLERK OF URBAN COUNTY COUNCIL

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SECOND FRANCHISE RENEWAL AGREEMENT

THIS SECOND FRANCHISE RENEWAL AGREEMENT ("Renewal Agreement") made as of March 24, 2023, between the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A ("LFUCG"), and BLUE GRASS ENERGY COOPERATIVE CORPORATION, a Kentucky corporation, with its principal office located at 1201 Lexington Road, Nicholasville, Kentucky 40356 ("Franchisee"), (collectively, "the Parties").

RECITALS

WHEREAS, Pursuant to Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, LFUCG created a franchise for the privilege of constructing, erecting, operating, and maintaining an electric generation, transmission and distribution system in Fayette County, Kentucky; and

WHEREAS, By Resolution No. 154-2013, Franchisee was awarded a non-exclusive franchise, and the Parties entered into a five- (5-) year franchise agreement with the option to renew for up to two (2) additional terms of five (5) years each (Contract #95-2013); and

WHEREAS, By Resolution No. 158-2018, and pursuant to the provisions of Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, Contract #95-2013 was renewed for an additional term of five (5) years beyond its expiration date; and

WHEREAS, Contract #95-2013 is now set to expire on April 11, 2023, and the Parties mutually desire to renew the terms and conditions of the franchise agreement for a second and final additional term of five (5) years beyond its current expiration date; and

WHEREAS, the Parties have agreed to enter this Second Renewal Agreement to set forth the terms and conditions of the franchise agreement during the final term of the franchise.

STATEMENT OF AGREEMENT

1. **Incorporation of Recitals.** The Recitals to this Second Renewal Agreement are hereby incorporated by reference as if fully set forth herein.
2. **Second Renewal Term.** The term of this Second Renewal Agreement shall become effective upon the expiration date of the current franchise agreement and continue through April 11, 2028 (the "Second Renewal Term"), unless terminated sooner as provided in Contract #95-2013. There are no remaining options to renew the franchise agreement after the Second Renewal Term expires; however, this Second Renewal Agreement may be extended up to twelve (12) months by mutual written agreement of the Parties to pursue good faith negotiation of a new franchise.
3. **Renewal.** Notwithstanding the "Post-Renewal Audit" provision set forth in Section 4 below, all provisions of Contract #95-2013, including all exhibits and documents

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incorporated therein by reference, shall remain in full force and effect for the duration of the Second Renewal Term, and are fully incorporated herein and made part of this Second Renewal Agreement.

- 4. **Reimbursement of Post-Renewal Audit Expenses.** Pursuant to Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, the Parties have agreed to the performance of an audit in connection with the second renewal of the franchise subject to this Second Renewal Agreement. The Parties are engaged in good faith renewal discussions and acknowledge that the audit will not be completed until after the Second Renewal Term begins (the "Post-Renewal Audit"). Upon written request from LFUCG, Franchisee hereby agrees to reimburse LFUCG for all reasonable and documented costs incurred by LFUCG in connection with the Post-Renewal Audit.

EXECUTED AND AGREED TO by Lexington Fayette Urban County Government and Blue Grass Energy Cooperation Corporation. on this 24 day of March, 2023.

LFUCG:

Lexington-Fayette Urban County

By: Linda Gorton
Linda Gorton, Mayor

Attest:

Mackenzie Gock
URBAN COUNTY COUNCIL CLERK

Deputy

FRANCHISEE:

Blue Grass Energy Cooperation Corporation

By: Michael Williams
[Name, Title] Michael Williams, CEO

STATE OF KENTUCKY

COUNTY OF Jessamine

The forgoing Agreement was subscribed, sworn to and acknowledged before me by Michael Williams, as the duly authorized representative for and on behalf of Blue Grass Energy on this the 28th day of February, 2023.

My commission expires: 2/5/2027

Allison R. Moxton
NOTARY PUBLIC

