

CONTRACT

THIS CONTRACT, made and entered into this 28th day of December, 1954, by and between Big Sandy Rural Electric Cooperative Corporation, a corporation organized and existing under the laws of the Commonwealth of Kentucky, with its principal office in the City of Prestonsburg, Floyd County, Kentucky, party of the first part, hereinafter referred to as Big Sandy, and Kentucky Power Company, a corporation organized and existing under the laws of the Commonwealth of Kentucky, with its principal office in the City of Ashland, Boyd County, Kentucky, party of the second part, hereinafter referred to as Kentucky Power,

WITNESSETH THAT:-

WHEREAS, Big Sandy now is the owner of a 69 Kv transmission line approximately 1-1/2 miles in length between Paintsville and Thelma in Johnson County, Kentucky, and

WHEREAS, said transmission line connects with the Kentucky Power Sub-station at or near Paintsville, Kentucky, at one end and with the Big Sandy's Sub-station at or near Thelma, Kentucky, at the other, and, -

WHEREAS, Kentucky Power desires to purchase said transmission line, together with the poles, cross-arms, right-of-way easements and other related installations and facilities ordinarily considered as constituting a part of said transmission line,

NOW, THEREFORE, in consideration of the foregoing and of the payment to be made by Kentucky Power to Big Sandy, and the further consideration of the mutual terms, covenants, and conditions hereinafter set forth, it has been agreed and hereby is agreed by and between Kentucky Power and Big Sandy as follows, to-wit:

1. Big Sandy has agreed to sell and convey, and hereby does sell and convey to Kentucky Power its entire 69 Kv transmission line which connects with Kentucky Power's Sub-station at or near Paintsville, Kentucky, at one end, and which connects with Big Sandy's Sub-station at or near Thelma, Kentucky, at the other end. Said line is approximately 1.5 miles in length. The term "line" as used herein shall be construed to include the entire 69 Kv transmission line between the points and for the distances hereinabove described, and all poles, anchors, anchor lines, braces, cross-arms, rights of way easements, and other installations and facilities which ordinarily are considered and treated as a part of said line. 69 Kv transmission line as used in this contract shall be construed to mean the existing transmission line between the points described, regardless of the size or capacity of said existing transmission line.

2. Big Sandy warrants that it has acquired or will acquire all necessary perpetual rights of way easements, permits, and an appropriate certificate of convenience and necessity from the Public Service Commission of Kentucky for the construction, maintenance, and operation of said line and related facilities. Big Sandy further agrees to execute and deliver to Kentucky Power an appropriate instrument of writing or instruments of writing assigning or conveying to Kentucky Power rights of way easements and necessary permits for the continued perpetual operation and maintenance of said line. Big Sandy agrees to cause the aforesaid transmission line, rights of way easements, and related

facilities to be released from any and all mortgages which have been executed by Big Sandy on properties which include said line, rights of way and facilities.

3. Within thirty (30) days after the conditions hereinabove set forth shall have been complied with, Kentucky Power will pay to Big Sandy in cash the total amount of the agreed purchase price of said line, rights of way and facilities. The purchase price shall be the original cost of the construction of said line and related facilities including the cost of perpetual rights of way easements, clearing, engineering, inspection, and direct supervision, subject to inventory adjustments covering removals or additions, less depreciation at the rate of 3.48 percent annually from the date of completion of construction to the date of payment by Kentucky Power to Big Sandy of the purchase price herein provided.

4. This contract shall be binding when executed by both parties and when approved by the Public Service Commission of Kentucky and by the Administrator of the Federal Rural Electric Administration.

5. The purchase price as hereinabove set out will be paid by Kentucky Power to Big Sandy when the following conditions shall have been fully complied with, to-wit:

(a) This contract shall have been executed by both parties and approved as provided in the next preceding paragraph 4, and

(b) When Big Sandy executes and delivers to Kentucky Power appropriate instruments of writing assigning or conveying to Kentucky Power rights of way easements and permits vesting in Kentucky Power full rights to perpetually operate and maintain said transmission line, and when Big Sandy delivers to Kentucky Power an appropriate instrument of writing releasing said line, rights of way easements, and related facilities from any and all mortgages which have been executed by Big Sandy and in which said line, rights of way easements,

or related facilities have been included either in whole or in part.

IN WITNESS WHEREOF, Big Sandy Rural Electric Cooperative Corporation has caused its corporate name to be hereunto subscribed by George Jones, its president, and attested and its corporate seal hereunto affixed by Oran Hinkle, its secretary, and Kentucky Power Company has caused its corporate name to be hereunto subscribed by R. E. Doyle, Jr., its ^{vice} president, and attested and its corporate seal hereunto affixed by W. B. Garnett, its ^{Assistant} secretary, all duly authorized, and all as of the day and date first hereinabove written.

BIG SANDY RURAL ELECTRIC
COOPERATIVE CORPORATION

By George Jones
President

ATTEST:

Oran Hinkle
Secretary

KENTUCKY POWER COMPANY

BY R. E. Doyle, Jr.
Vice-President

ATTEST:

W. B. Garnett
Asst. Secretary