LICENSE AGREEMENT
BETWEEN
KENTUCKY UTILITIES COMPANY
AND
COMMONWEALTH OF KENTUCKY
FINANCE & ADMINISTRATION CABINET
This License Agreement (this "Agreement") is made as of the 31st day of July, 2015, by and between KENTUCKY UTILITIES COMPANY, a corporation organized under the laws of the Commonwealth of Kentucky and Virginia, having its principal office at One Quality Street, Lexington, Kentucky 40507 ("KU") and the Commonwealth of Kentucky, Finance and Administration Cabinet, located at 702 Capitol Avenue, Room 383, Capitol Annex, Frankfort, Kentucky 40601 ("Licensee").

RECIDTALS AND INTRODUCTION

KU is an electric utility company providing services in Kentucky. KU owns and maintains certain Structures (as defined below) to support or protect electric service conductor. Such Structures also are useful for supporting and protecting telecommunications cables.

Licensee desires to provide Telecommunications Services by means of the Cables (as defined below) within and without the KU Service Area in the Commonwealth of Kentucky (as defined below).

Subject to the terms and conditions set forth below, Licensee desires to install and operate the Cables on and in the Structures in the Service Area as described below, and KU desires to make Structures available to Licensee.

AGREEMENT

NOW THEREFORE, in consideration of the promises and the mutual covenants herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Definitions.

The following definitions shall apply for purposes of this Agreement. Capitalized terms used in this Agreement but not defined in this Section 1 shall have the meaning provided elsewhere in this Agreement; the meaning applied to all terms shall be equally applicable to both the singular and plural forms of the term defined.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with, such Person. For purposes of this definition, the term "control" of a Person means direct or indirect ownership of more than fifty percent (50%) of the outstanding voting stock of a corporate person or voting interest in a non-corporate Person.

"Agreement" means this License Agreement and all extensions and modifications hereof, together with all Schedules and/or Annexes.

"Attachment" means the Cable and all associated appliances including without limitation any overlashed cable, small splice panels and vertical overhead to underground risers but excluding equipment cabinets, antennas, meter bases and other equipment large enough to impede accessibility.
“Business Day” shall mean any Monday through Friday during which KU is open for regular business.

The "Cable" means (a) a single fiber optic cable with a combined diameter of not more than two inches (2") including any messenger wire, and any substitute, replacement, branch or extension thereof being installed by Licensee or Contractor pursuant to this Agreement; and (b) any facility replacing the Cable, regardless of whether such facility uses fiber optic cable, coaxial cable, another type of cable or any wireless transmission mechanism.

“Communication Space” shall mean the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance codes and KU’s internal construction standards.

“Communication Worker Safety Zone” is defined by the NESC and KU’s internal construction standards as that space between the facilities located in the Electric Space and facilities located in the Communications Space except for limited exceptions such as brackets, conduits, or drip loops of luminaries. No electric supply or telecommunication facilities shall be located in the Communication Worker Safety Zone.

“Contractor” means any Person employed or engaged by Licensee to perform work or render services under this Agreement upon or in the immediate vicinity of KU’s Structures or associated facilities other than Licensee and Licensee’s employees.

"Disallowed Transfer" shall have the meaning provided at Section 15.

"Duct" means a pipe, tube, conduit or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but specifically excluding any pipes now or previously used for the transmission and/or distribution of natural gas; and includes any vault, manhole, hand-hole and or pit used by Licensee to access the Duct regardless of whether the vault, manhole, hand-hole and/or pit is owned or controlled by KU or another third party.

"Effective Date" means August 1, 2015.

"Electric Space" shall mean the space above the Communications Worker Safety Zone reserved for the installation of electric supply lines. Specific clearances and exceptions are contained in the NESC and KU’s internal construction standards.

“FCC” means the Federal Communications Commission.

“Federal Laws” means applicable federal statutes, case law, order, rules and regulations, administrative decisions, including but not limited to those of the FCC.

"KU" means Kentucky Utilities Company.

"LG&E" means Louisville Gas and Electric Company.

"Licensee Event of Default" shall have the meaning provided at Section 15.
"License Fee" shall have the meaning provided in Section 31 of this Agreement.

"National Electrical Safety Code" shall mean a publication of the Institute of Electrical and Electronic Engineers; as modified, amended, and/or supplemented from time to time.

"Person" means a corporation, limited liability company, partnership, association, organization, joint venture, company, governmental body or individual.

"PSC" means the Public Service Commission of the Commonwealth of Kentucky.

"Service Area" means the geographic area within Kentucky in which KU provides electrical service, as such area is defined by the Kentucky Public Service Commission and as such area may be modified, expanded, contracted and/or redefined by the Kentucky Public Service Commission or any successor agency from time to time.

"State Laws" means applicable state statutes, case law, order, rules and regulations, administrative decisions, including but not limited to those of the PSC.

"Structure" means any pole, conduit duct, tower or other facility normally used by KU to support or protect its electric conductors.

"Telecommunications Service" shall mean that term as it is defined in the Communications Act of 1934 (47 U.S.C. § 151, et seq.), as amended by the Telecommunications Act of 1996, and as amended from time to time.

"Term" means the period specified in Section 19.

2. License.

Subject to the terms and conditions set forth herein, including payment of fees and consideration as may be set forth herein, as of the Effective Date, KU hereby grants to Licensee and Licensee hereby accepts from KU a non-exclusive license to affix and install Attachments to and on Structures located in the area as described below.

a. In consideration of the license granted in paragraph 2 (b) below to KU and the other covenants, terms and conditions contained in this Agreement, KU, upon and subject to the terms and conditions set forth in this Agreement, throughout the Term, hereby grants to Licensee a non-exclusive License Fee free license to install, construct, monitor, repair, maintain, own and operate Attachments on Structures located in the area described in Schedule 1 and as generally depicted in Schedule 2. Schedules 1 and 2 may be revised by mutual agreement of the Parties by written amendment to this Agreement signed by the parties hereto. In the event the Parties do so agree to revise Schedule 2, the Parties shall also agree on whether the consideration for additional attachments shall be additional dark fiber under the license set forth below in Section 2(b) or attachment fees in accordance with Section 31 below.

b. In consideration of the license granted in paragraph 2 (a) above to Licensee and the other covenants, terms and conditions contained in this Agreement, throughout the Term, Licensee hereby grants to KU an indefeasible and exclusive right to use twelve (12) strands of dark fiber
continuous on Licensee’s entire “backbone network” as generally depicted in Schedule 2, and to provide KU an indefeasible and exclusive right to use four (4) strands of dark fiber on the “lateral/radials” to be mutually agreed upon by the Parties and described in an addendum to this Agreement.

c. Licensee will retain ownership of Attachments, including the fiber strands licensed to KU hereunder, and Licensee will therefore be responsible for all of the burdens associated with such ownership, including the burden of maintaining the fiber strands licensed hereunder in good working order, condition and repair (ordinary wear excepted) throughout the useful life of such fiber optic strands or the Term of this Agreement.

d. Licensee may delegate operation, construction, repair and maintenance of the Attachments to one or more contractors subject to the express written approval of KU, which shall not be unreasonably withheld or delayed, and on the condition that each such third party enter into a facility access agreement and general release substantially in the form of Exhibit A attached hereto and incorporated by reference with KU.

e. Subject to the following restriction, the KU Strands may be used for any lawful purpose. The KU strands may not be used, directly or indirectly, in whole or in part, by (or to service) any carrier (Competitive Access Provider, Local Exchange Carrier, Inter-exchange Carrier, Internet Service Provider, etc.) that is not an Affiliate of KU. Nor will such KU Strands be directly connected to any non-Affiliate entity for the purpose of providing any telecommunications services other than energy management services and communications between affiliates. For purposes of clarification, KU’s use of the KU Strands in connection with provision of electric service to a carrier shall not be considered use by such carrier.

3. Structures Subject to Agreement; Non-Exclusive License; Other Licensees.

a. All Structures used pursuant to this Agreement shall be and remain the property of KU regardless of the nature or amount of any payment by Licensee, and Licensee shall not, except as specifically provided herein, acquire any right, title or interest in or to any such Structures except as provided herein.

b. The License hereunder is a non-exclusive license to use Structures identified in the Service Area as described in Schedule 1.

c. Except as specifically provided in Section 2.d. above and elsewhere herein, Licensee’s license is non-delegable, non-transferable and non-assignable, and any delegation, transfer, or assignment of any interest in such license without prior written consent of KU shall be void. Any delegation, assignment and/or transfer of Licensee’s license or any obligation and/or benefit of the Agreement without prior written consent of KU shall be considered a material breach of this Agreement.

d. Licensee may not permit or license a third party to overlash or utilize any Attachment without the prior written consent of KU, which consent may be conditioned upon such third party’s compliance with all provisions of Sections 4, 5, 6, 7, 8, 9, 10, 11 and 14 of this Agreement and such other terms as KU may reasonably require. Licensee may overlash Cable to
its existing Attachments without such overlashing being considered a separate Attachment for purposes of License Fees under Section 31(a) and Section 31(b). However, overlashing shall be deemed a new Attachment for all other purposes, including without limitation surveying, engineering, and make-ready.

c. Nothing herein shall be construed as affecting the rights or privileges previously conferred by KU, by contract or otherwise, to others not party to this Agreement, to use any Structure covered by this Agreement, and KU shall have the right to continue and to extend such rights and privileges. The license herein granted shall at all times be subject to such previously conferred privileges. Furthermore, nothing herein shall be construed as affecting the rights or privileges that may be conferred by KU, by contract or otherwise, to others not party to this Agreement, to use any Structure covered by this Agreement, and KU shall have the right to extend such rights and privileges.

f. Unless otherwise expressly stated in this Agreement, no reference to Federal Laws or State Laws or to any government agency in this Agreement shall be interpreted as either Party's agreement or acquiescence to the applicability of such laws or the jurisdiction of such agency.

4. Easements.

a. Licensee shall secure any right-of-way, easement, license, franchise or permit from any Person which may be required for the construction or maintenance of Attachments by or for Licensee. KU shall provide reasonable assistance to Licensee in securing such rights, but KU does not convey or guarantee any easements, rights-of-way or franchises for the construction or maintenance of said Attachments. To the extent permitted by law, including but not limited to, Section 177 of the Kentucky Constitution, Licensee hereby agrees to indemnify and save harmless KU from any and all claims, including the expenses incurred by KU to defend itself against such claims, resulting from or arising out of the failure of Licensee to secure such right, license, permit or easement for the construction or maintenance of said Attachments.

b. KU shall provide to Licensee such non-private information as KU may have regarding the name of the record landowners from which KU obtained easements for Structures. Such information will be provided without representation or warranty of any kind as to its accuracy or completeness. KU shall have no obligation to correct or supplement any information so provided.

c. Any and all assistance provided by KU to Licensee in obtaining easements shall be reimbursed at actual cost to KU by Licensee within thirty (30) days of receipt of an itemized invoice.

d. KU shall bear no responsibility for the availability or accuracy of information, assistance, access or rights of any nature with respect to Structures located outside of the KU Service Area.
5. Approval For Attachments.

a. Licensee shall make written application, in form acceptable to KU, for permission to install Attachments on or in any Structure. Each application shall include (i) the number and location of all Structures for which license to attach is sought and the amount of space required thereon; (ii) the number of linear feet of Duct space and the location of each such Duct for which license to attach is sought, the amount of space requested therein, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be thereby required; (iii) the character of all proposed Attachments; (iv) the proposed start date for installation of the Attachments described in the application; and (v) any issues then known to Licensee regarding space, engineering, access or other matters that might require resolution before installation of Attachments. Applications shall distinguish between Distribution and Transmission facilities sought to be licensed.

b. Within sixty (60) days after receipt of an application in reasonably satisfactory form, KU shall notify Licensee in writing whether KU will permit the use by Licensee of the Structures sought to be licensed and any conditions imposed on the installation or use of Attachments. If KU denies access to any Structures, KU’s notice shall be specific, shall include reasonably appropriate relevant evidence and information supporting its denial, and shall explain how such evidence and information relate to a denial of access for reasons of lack of capacity, safety, reliability or engineering standards. This sixty (60) day period shall be primarily for the purpose of surveying and engineering analysis. In the event KU has failed to perform the surveying and engineering analysis within the sixty (60) day period or notifies Licensee in writing that it will not be able to perform such surveying and engineering analysis within such period, Licensee may perform such work at Licensee’s expense using contractors permitted under Section 2(d) above, provided that if Licensee has paid KU make ready fees for such work, KU shall provide a refund of such make ready fees to Licensee within ten (10) days of Licensee notifying KU that Licensee has performed the work. KU shall have the sole right to determine the availability of space on or in any such Structure for use by Licensee and shall be under no obligation to grant permission for its use by Licensee provided that such permission shall not be unreasonably withheld, conditioned or delayed. If such permission is granted, Licensee shall have the right to use such Structure in accordance with the terms of this Agreement and any other terms as may be agreed upon by the Parties at such time. Licensee shall neither attach nor have attached any item to any Structure without the prior written approval of KU as provided in this Agreement. All KU actions pursuant to this Section 5(b) shall be taken in accordance with applicable State and Federal Laws.

6. Construction And Maintenance Requirements And Specifications.

a. Design, construction, or installation practices for Attachments and Licensee’s installation thereof shall be approved by KU in writing before any construction or installation of Attachments. KU shall allow Licensee to use the same attachment techniques that KU uses in similar circumstances, except where limitations of such use are necessary to ensure safety, reliability, sound engineering and compliance with the National Electrical Safety Code. KU’s approval thereof shall not be unreasonably withheld or delayed.

b. KU shall provide "make-ready" of Structures licensed for use by Licensee, and Licensee shall reimburse KU for the actual cost thereof within thirty (30) days of receipt of an
itemized invoice. Within sixty (60) days of receipt of payment of the invoice, KU shall complete the make-ready work. In the event KU has failed to perform the make-ready work within the sixty (60) day period or notifies Licensee in writing that it will not be able to perform such make-ready work within such period, Licensee may perform such work at Licensee’s expense using contractors permitted under Section 2(d) above, provided that if Licensee has paid KU make ready fees for such work, KU shall provide a refund of such make ready fees to Licensee within ten (10) days of Licensee notifying KU that Licensee has performed the work. Where Licensee is permitted to self-perform make-ready work, KU may, at Licensee’s expense, perform post-construction audit to ensure adherence to KU’s internal construction standards, and to NESC standards. If the post construction audit reveals any defects in attachment installation under such standards, Licensee, at its own cost and expense, will correct such defects as soon as reasonably possible, and KU may audit construction until all defects have been cured. All costs and expenses associated with post construction and any additional costs or expenses incurred by KU as a result of Licensee’s failure to properly install attachments shall be borne or reimbursed by Licensee.

c. All Attachments shall be constructed and installed in a manner reasonably satisfactory to KU and so as not to interfere with the present or future use which KU reasonably may desire to make of the Structures bearing or containing such Attachments (provided any such future use shall not unreasonably interfere with the use of the Attachments as contemplated by this Agreement). At all times, Licensee shall maintain, operate and construct all Attachments in such manner as to insure that KU has full and free access to all of its facilities. All Attachments shall, with respect to clearances and otherwise, conform to KU’s electric design and construction standards and applicable requirements of the National Electrical Safety Code and National Electrical Code. All Attachments in place shall be identified by owner and marked by a tag that includes owner’s name and twenty-four (24) hour contact telephone number at each Structure.

(i) KU will allow Licensee non-exclusive use of a KU owned or a KU controlled Duct, subject to availability, engineering review, anticipated bona fide future needs of KU, and safety considerations. All Cable placed by Licensee within a KU owned or controlled Duct shall be enclosed within Licensee-furnished inner-duct and shall be clearly marked and identified as belonging to Licensee at all access points. Licensee shall reimburse KU all actual costs and expenses incurred by KU in determining availability of a Duct within thirty (30) days of receipt of an itemized invoice. All work performed by Licensee on the Ducts shall be performed by personnel “qualified” to perform such work, where “qualified” has the meaning as provided in the National Electrical Safety Code and also means personnel trained and certified for such work in accordance with standards promulgated by the United States Occupational Safety and Health Administration and the Kentucky Occupational Safety and Health Standards Board.

d. In the design, installation and maintenance of its Attachments, Licensee shall follow all KU safety guidelines in addition to safety and design requirements promulgated by the United States Occupational Safety and Health Administration, the Kentucky Occupational Safety and Health Standards Board, the PSC and any other regulatory body having jurisdiction over the work of constructing and installing the Attachments, all as may be changed from time to time. All work shall be performed in accordance with the applicable standards of the National Electrical Safety Code and the National Electrical Code, including amendments thereto adopted at any time by any jurisdiction in which such work occurs. Licensee shall take all necessary
precautions, by the installation of protective equipment or other means, to protect all persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Licensee shall make immediate report to KU of (i) any damage caused to property of KU or others in the course of installing or maintaining Attachments and (ii) any failure by Licensee to meet the requirements set forth herein for assuring the safety of persons and property and compliance with laws and regulations of public authorities and standard-setting bodies.

f. KU, at KU’s cost and expense, may monitor Licensee’s construction and installation of Attachments unless the need for a monitor is caused by Licensee’s failure to comply with the terms of this Agreement, applicable laws or regulations, in which case, Licensee shall be responsible for the actual cost(s) of any such monitoring within thirty (30) days of receipt of an itemized invoice. For locations where the Licensee’s construction and installation is within the KU underground facilities, in the case with duct/manhole access, the Licensee shall reimburse KU for their actual cost associated with providing inspection services within thirty (30) days of receipt of an itemized invoice.

g. Licensee shall make all Attachments in the Communications Space.

h. Reserved.

i. Licensee may use qualified contractors of its own choice to perform work below the Electric Space.

j. Licensee shall comply with all applicable Federal Laws, State Laws, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to its performance of this Agreement. Licensee shall not bring, store or utilize any hazardous materials on any KU site without the prior express written consent of KU. To the extent reasonably practicable, Licensee shall restore any property altered pursuant to its performance under this Agreement to its original condition existing immediately prior to Licensee’s alteration, ordinary wear and tear and damages not caused by Licensee excepted. KU shall have no obligation to correct or restore any property altered by Licensee and shall bear no responsibility for Licensee’s compliance with applicable environmental regulations.

k. If KU has reasonable cause to believe that Licensee has not installed Attachments in accordance with the design standards and terms of this Agreement, Licensee, at its own expense shall make necessary adjustments within thirty (30) days after the demand. Subject to Section 9, if Licensee fails to make such adjustments within thirty (30) days, KU, at its option, may make such repairs or adjustments, and Licensee shall pay KU for the actual cost thereof at KU’s prevailing wage rate plus associated expenses and applicable overhead within thirty (30) days of receipt of an itemized invoice.

l. Licensee at all times warrants compliance with all requirements set out in this Section 6, assumes the continuing responsibility for such compliance in the future and assumes all responsibility for any damage, fines or penalties resulting from any noncompliance. KU
undertakes no duty to require any specific action by Licensee and assumes no responsibility by requiring such compliance or by requiring Licensee to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Licensee.

m. Licensee shall provide KU with complete "as-built" drawings upon completion of the installation of the Cable and all subsequent construction. Such drawings shall be provided in a computer generated electronic format (or such other format as is agreeable to the Parties). No hand drawings satisfy this requirement. Such “as-built” drawings of Licensee’s facilities shall be considered confidential and proprietary and subject to the provisions of Section 21 of this Agreement.

7. Maintenance of Attachments.

a. At all times, Licensee shall, at its own expense, maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to KU and so as not to conflict with any use of KU facilities (including Structures) by KU or by any other Person using such facilities pursuant to any license or permit by KU. Licensee agrees not to interfere with the working use of any other Person’s property on or in such facilities or any such property, which may, from time to time, be placed there. Maintenance of the Attachments within the Communications Space shall be performed only by personnel qualified to perform such work. Any maintenance of the Attachments within the Electric Space in manholes or Ducts shall be performed only by qualified personnel as provided in Section 6(c)(i) of this Agreement.

b. Licensee shall notify KU in accordance with the terms of this paragraph when maintenance is to be performed on fiber that may affect KU’s use of KU Strands therein. The notification required in this paragraph shall be given to KU Telecom Engineer at (502) 627-3250.

i. Non-emergency. Licensee shall give at least two hours’ notice to KU before performing any non-emergency maintenance affecting KU Strands.

ii. Emergency. Licensee shall give at least one hour’s notice to KU before performing any emergency maintenance affecting KU Strands.

iii. Priority. KU reserves the right to commence and complete any electrical restoration work prior to allowing Licensee access to perform its maintenance obligations under this paragraph. And if requested by KU personnel, Licensee shall cease repair work and vacate the repair site until KU’s restoration procedures are complete.

8. Structure Inspection.

a. KU undertakes no duty to inspect or ensure the repair of any facilities, but KU reserves the right to inspect each new and proposed Licensee installation on Structures at KU’s cost and expense. KU may make periodic inspections, as conditions may warrant, for the purpose of determining compliance with this Agreement. Neither KU’s right to make inspections nor any inspection made shall relieve Licensee of any responsibility, obligation or liability assumed under this Agreement.
b. KU, at KU’s cost and expense, may conduct a complete field inspection of its Structures at any time for the purpose of verifying the number, location and character of all Attachments of Licensee on KU’s Structures in the area covered by this Agreement. KU shall give to Licensee at least thirty (30) days’ notice of such inspection, and, not less than fourteen (14) days before the scheduled date of such inspection, Licensee shall advise KU whether Licensee desires to make a joint inspection with KU.

9. **Interference Or Hazard.**

Whenever KU notifies Licensee in writing or orally with written confirmation that, in KU’s reasonable judgment, the Attachments or the condition of Attachments of Licensee on or in any Structures (i) interfere with the use of such Structures or the operation of KU facilities or equipment; (ii) constitute a hazard to the service rendered by KU or any other Persons licensed by KU to use such Structures; (iii) cause a danger to employees of KU or other persons; or (iv) fail to comply with applicable codes or regulations, Licensee shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by KU. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from receipt of such notice. In case of a hazardous condition or other emergency which in KU’s good faith and reasonable judgment requires KU to immediately remove or relocate the Attachments of Licensee, KU reserves the right, at Licensee’s expense, without prior notice and with no liability therefor, to remove or relocate such Attachments as required (provided KU shall provide Licensee with notice (which may be by telephone) of any such action as soon as reasonably possible thereafter).

10. **Rearrangement; Relocation of Structures; New Structures.**

a. If Licensee’s desired Attachments can be accommodated on or in existing Structures of KU only by rearranging facilities of KU or existing attachments thereon, or if because of Licensee’s proposed Attachments it is necessary for KU to rearrange or transfer its facilities on or in any facility not owned by it, Licensee shall reimburse KU for the actual expense incurred in making such rearrangement. If facilities of a third party are required to be rearranged, Licensee shall work with the third party to facilitate such rearrangement and shall pay the costs related thereto.

b. Upon forty-five (45) Business Days prior written notice delivered to Licensee (except in emergency or dangerous situations, in which event KU shall give only as much prior notice as it shall deem reasonable under the circumstances), KU shall have the right to replace, relocate, remove or abandon any Structure and to cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. KU shall use its reasonable best efforts to provide an alternate location on or in Structures for any portion of the Attachments required to be relocated or removed. KU will bear all costs and expenses of any relocation of the Structures not attributable to or caused by Licensee or the Attachments, and Licensee will bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Licensee or the Attachments. Licensee shall be solely responsible for any losses occasioned by the interruption of Licensee’s business or operations.
c. In the event KU shall determine, in good faith and in the exercise of its reasonable business judgment, that any space occupied by the Attachments is required in connection with the energy services provided by KU or any of its Affiliates, KU shall be entitled to direct, by written notice to Licensee, that such Attachments be relocated to other Structures. KU shall use its reasonable best efforts to provide replacement Structures as close in proximity as possible to the former Structures. Licensee agrees to complete such relocation within one hundred eighty (180) calendar days of KU’s request. All actions taken pursuant to this Section 10(c) shall be taken in accordance with applicable law.

d. Where a new Structure is erected (including the replacement of an existing Structure) solely to provide adequately for the Attachments Licensee proposes to place on the new Structure, Licensee shall pay KU a sum equal to the actual cost of the new Structure plus the cost of removal of the existing Structure, if any, minus the salvage value of the removed Structure, if any within thirty (30) days of receipt of an itemized invoice. Licensee also shall pay to KU and the respective existing licensees within thirty (30) days of receipt of an itemized invoice (i) the cost of removing all such Persons’ attachments from the Structure and reestablishing the same or like attachments on the newly-installed Structure, with appropriate salvage credit allowance, if any, for any attachments which are not reused in such replacement; and (ii) the cost of installing any new or additional attachments required solely because of the erection of such new Structure. The new Structure shall be the property of KU regardless of any payments by Licensee toward its cost, and Licensee shall acquire no right, title or interest in or to such Structure or any new attachments of other Persons thereon.

11. Licensee’s Abandonment of Structures.

Licensee may at any time abandon the use of a Structure hereunder by removing there from all of its Attachments and by giving written notice thereof to KU. Licensee shall bear all cost of removal and any KU costs incurred as a result of such removal within thirty (30) days of receipt of an itemized invoice. KU shall make no refund of any amount paid by Licensee for use of such Structure, nor shall any other obligation or liability of Licensee under this Agreement be affected by such abandonment.

12. Maintenance and Operation Of KU’s Structures.

KU reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other KU property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. KU shall not be liable to Licensee for any interference with the operation of Licensee’s facilities, or loss of business arising in any manner out of the use of KU’s Structures or other property hereunder.

13. Reserved.


To the extent permitted by law, including but not limited to, Section 177 of the Kentucky Constitution, Licensee agrees to protect, defend, indemnify and save harmless KU, its Affiliates, their officers, directors, employees and representatives (each an “Indemnitee” hereunder) from and
against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment there for and reasonable attorney's fees, by reason of (i) injuries or deaths to persons; (ii) damage to or destruction of property including loss of use thereof; (iii) power or communications outage, interruption or degradation; (iv) pollution, contamination of or other adverse effects on the environment; or (v) violation of governmental laws, regulations or orders, whether suffered directly by KU itself or indirectly by reason of claims, demands or suits against it by third parties, resulting from by acts or omissions of Licensee, its employees, agents, or other representatives or from their presence on the premises of KU or otherwise from Licensee's performance of this Agreement, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Licensee attached or in the process or being attached or removed from any Structure of KU by Licensee, its employees, agents, or other representatives.

In all instances in which Licensee is obligated to indemnify an Indemnitee as provided for in this Agreement, Licensee's obligation is conditioned upon (i) Indemnitee giving Licensee written notice of all claims, damage, losses, suits, and any other event which is in any way related to or asserted by Indemnitee as a basis for such obligation, which notice shall be given promptly after Indemnitee becomes aware thereof; (ii) Indemnitee providing reasonable cooperation to Licensee, at no cost to Indemnitee, in the successful defense of such matter as may be reasonably requested by Licensee and (iii) no settlement or other disposition being made by Indemnitee of any matter for which a claim of indemnification or to be held harmless will be made, without the prior written consent of Licensee. In the event an Indemnitee settles or compromises any claim for which indemnification is claimed hereunder, without the express written consent of Licensee, and provided that Licensee has fully complied with the provisions set forth herein, Licensee shall be released and absolved for all liability with respect thereto.

15. Default By Licensee.

a. Each of the following shall constitute a Licensee Event of Default:

i. Failure by Licensee to pay any undisputed fee required, perform any material obligations undertaken or satisfy any warranty or representation made under this Agreement; and

ii. The occurrence of a sale, lease, license, mortgage, hypothecation, or other transfer of any kind, by instrument, judgment, operation of law or otherwise, of any interest in Attachments to any Person without the express written consent of KU, which consent shall not be unreasonably conditioned, withheld or delayed; provided, however, that a contract for service to a customer of Licensee or the transfer of rights to use dark fiber within the Cable without a transfer of any interest in Attachments shall not alone constitute a transfer described in this paragraph and provided further, a condition hereunder that a transferee of an interest in Attachments assume or guarantee, at Licensee's option, the obligations of Licensee hereunder (including for such purposes, the cure of any then-existing default by Licensee) shall not be deemed unreasonable; and provided further, that a transfer to an Affiliate as described in Section 22 shall not constitute a transfer described in this paragraph.
b. If, within thirty (30) days after receipt of KU's written notice of the occurrence of a Licensee Event of Default, Licensee has not cured the default so notified, KU may take any or all of the following actions (except that if such a failure is of a nature that cannot be reasonably cured within 30 days then Licensee shall not be deemed in default hereunder and KU may not take any of the following actions so long as Licensee commences good faith action to cure the default notified within such 30 day period and thereafter diligently pursues such action):

i. Terminate the license granted herein to the extent of Structures to which such default or non-compliance is applicable;

ii. Remove, relocate, or rearrange Attachments of Licensee to which such default or non-compliance relates, all at Licensee's expense;

iii. Decline to permit additional Attachments hereunder until such failure or default is cured;

iv. Upon material or repeated default hereunder, terminate this Agreement; and recover from Licensee all costs, expenses incurred as a result of or reasonably related to the Licensee Event or Events of Default and the termination of this Agreement;

v. To the extent permitted by applicable laws, in the event that Licensee shall have terminated business operations and shall be unable or unwilling to remove substantially all Attachments from the property of KU, assume ownership and control of all Attachments and all related equipment of Licensee and, upon notice to all affected parties, succeed to all Licensee rights to sell, license and transfer in any way rights to and in the Cable, in which case Licensee shall transfer to KU, to the extent permitted by law and contract, and without reserved rights of any kind, all easements, contracts, rights of way, technical information, drawings and plans related to the Attachments and their maintenance and use, all business and marketing plans, financial information and projections for use of such Attachments, and all customer information, billing records and operational records needed to conduct, as nearly completely as possible, the business conducted by Licensee with the Attachments as of the date of termination; and

vi. Pursue any and all remedies that may be available in law and equity, including specific performance.

c. No liability shall be incurred by KU upon its taking of any or all actions described in this Section 15 and Licensee shall, to the extent permitted by law, including but not limited to, Section 177 of the Kentucky Constitution, be liable for all expense, including reasonable attorney's fees and court costs, reasonably incurred by KU in pursuit of such remedies or as a result of the termination of this Agreement thereunder. The remedies provided herein are cumulative and in addition to any other remedies available to KU under this Agreement or otherwise. No refund of any license fee will be due on account of termination.
16. **Default By KU.**

If KU fails to comply with any provisions of this Agreement or defaults in the performance of any of its obligations under this Agreement and fails within thirty (30) calendar days, after written notice from Licensee, to cure the default (except that if such a failure is of a nature that cannot be reasonably cured within 30 days then KU shall not be deemed in default hereunder and Licensee may not take any of the following actions so long as KU commences good faith action to cure the default notified within such 30 day period and thereafter diligently pursues such action), then Licensee may terminate this Agreement and/or pursue any and all such remedies as may be available in law or in equity, including, without limitation, the remedy of specific performance. No liability shall be incurred by Licensee because of any or all such actions. The remedies provided herein are cumulative and in addition to any other remedies available to Licensee under this Agreement or otherwise.

17. **Billing.**

Bills for inspections, expenses and other charges under this Agreement shall be payable within thirty (30) days after receipt of an itemized bill. Undisputed bills remaining unpaid for more than thirty (30) days after the receipt of such bills shall be subject to interest charges at the rate of one percent per month or, if lower, the maximum legally allowable rate of interest. Licensee’s failure to pay undisputed bills within thirty (30) days after receipt or disputed bills within 30 days following resolution of the dispute shall constitute a Licensee Event of Default.

18. **Waivers.**

Failure by either Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

19. **Term And Termination.**

a. This Agreement shall become effective upon the Effective Date. If not terminated in accordance with the provisions of this Section, Sections 15 or 16 or by mutual agreement of the Parties, this Agreement shall continue in effect for a term of thirty (30) years from the Effective Date, and shall thereafter automatically renew for successive ten (10) year periods unless one Party gives the other Party written notice of termination at least one hundred eighty (180) days in advance of the next renewal date. Upon termination of this Agreement, unless KU shall exercise the option provided in paragraph (b) of this Section 19, Licensee shall immediately remove all Attachments from Structures and other KU property within one hundred eighty (180) days. All costs of such removal shall be borne by Licensee. Licensee shall exercise precautions to avoid damage to all persons and to facilities of KU and other parties in so removing Attachments and assumes all responsibility for any and all such damage caused by Licensee. If Licensee's Attachments and other property are not promptly removed upon termination of this Agreement, as herein provided, unless the time is extended by mutual agreement, KU shall have the right to remove said Attachments without liability there for, and Licensee shall pay KU the cost of such removal at KU's prevailing wage rate plus associated expenses and applicable overhead within thirty (30) days of receipt of an itemized invoice.
b. KU may terminate this Agreement without liability to Licensee, upon giving one hundred and eighty (180) days advance written notice to Licensee, (i) at such time as it is determined in the reasonable opinion of KU’s legal counsel that KU’s performance hereunder would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over KU and same cannot be cured by KU without unreasonable expense or without materially and substantially altering the terms and conditions of this Agreement; or (ii) upon giving 180 days advance written notice (or such shorter period as KU shall deem reasonably necessary under the circumstances) if, in the reasonable opinion of KU’s legal counsel, termination is required (A) to preserve KU’s rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to KU’s business or operations, or (B) to avoid any forfeiture by KU or any of its Affiliates, of their current status as companies exempt from registration under the Public Utility Holding Company Act of 1935, as amended, or any rules or regulations promulgated thereunder. In the event of such termination, the Parties shall pay and perform obligations, which have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination.

c. Notwithstanding the provisions of this Section 19, prior to any right of termination by KU as a result of any order or ruling issued by the PSC or any other federal, state, or local agency having regulatory jurisdiction over KU, KU shall in good faith contest such order or ruling, but shall not be required to incur expenses in excess of $30,000 in doing so, unless a larger amount is subsequently agreed upon by KU. Should KU not be successful with respect thereto, then KU shall, prior to any right of termination of this Agreement, if the same is reasonably possible without expense to KU in excess of $30,000, unless a larger amount is subsequently agreed upon by KU and without substantially altering the terms and conditions of the Agreement, cure such condition causing such order or ruling to issue.

20. Insurance.

a. For the entire duration of this Agreement (and thereafter until the completion of this Agreement) on a per occurrence basis with respect to this Agreement, Licensee or Contractor shall provide and maintain, and shall require any of its subcontractors to provide and maintain, the following insurance (and, except with regard to workers’ compensation and professional liability, naming KU as an additional insured and waiving rights of subrogation against KU and its insurance carrier(s)), and Licensee or Contractor shall submit evidence of such coverage(s) of Licensee or Contractor to KU prior to the start of the work and, furthermore, Licensee or Contractor shall notify KU, prior to the commencement of any work pursuant to any statement of work and/or purchase order, of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to the benefit of KU as hereinafter specified:

(i) Workers’ Compensation and Employer’s Liability Policy, which shall include:
1) Workers’ Compensation (Coverage A), with statutory limits, and in accordance with the laws of the state where the Work is performed;
2) Employer's Liability (Coverage B) with minimum limits of One Million Dollars
($1,000,000) Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee;
3) Thirty (30) Day Cancellation Endorsement; and
4) Broad Form All States Endorsement.

(ii) Commercial General Liability Policy, which shall have minimum limits of One Million Dollars ($1,000,000) each occurrence; One Million Dollars ($1,000,000) Products/Completed Operations Aggregate each occurrence; One Million Dollars ($1,000,000) Personal and Advertising Injury each occurrence, in all cases subject to Two Million Dollars ($2,000,000) in the General Aggregate for all such claims, and including:
1) Thirty (30) Day Cancellation Endorsement;
2) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Contractor under this Agreement;
3) Broad Form Property Damage; and
4) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).

(iii) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of One Million Dollars ($1,000,000) each occurrence with respect to Contractor's vehicles assigned to or used in performance of work under this Agreement.

(iv) Umbrella/Excess Liability Insurance with minimum limits of Two Million Dollars ($2,000,000) per occurrence; Two Million Dollars ($2,000,000) aggregate, to apply to employer's liability, commercial general liability, and automobile liability.

(v) To the extent applicable, if any fixed wing or rotor craft aircraft will be used by Contractor in performing the work, Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of Five Million Dollars ($5,000,000) including passenger liability coverage.

(vi) To the extent applicable, if engineering or other professional services will be separately provided by Contractor as specified in the statements of work, then Professional Liability Insurance with limits of Three Million Dollars ($3,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate, which insurance shall be either on an occurrence basis or on a claims made basis (with a retroactive date satisfactory to KU).

b. Quality of Insurance Coverage: The above policies to be provided by Licensee or any Contractor shall be written by insurance companies which are both licensed to do business in the state where the work will be performed and either satisfactory to KU or having a Best Rating of not less than "A-". These policies shall not be materially changed or canceled except with thirty (30) days written notice to KU from Licensee or Contractor and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to: Attention: Manager, Supply Chain, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

c. Implication of Insurance: KU reserves the right to request and receive a summary of coverage of any of the above policies or endorsements; however, KU shall not be obligated to review any of Licensee's or Contractor's certificates of insurance, insurance policies, or endorsements, or to advise Licensee or Contractor of any deficiencies in such documents. Any
receipt of such documents or their review by KU shall not relieve Licensee or Contractor from or be deemed a waiver of KU’s rights to insist on strict fulfillment of Licensee’s or Contractor’s obligations under this Agreement.

d. Other Notices: Licensee or Contractor shall provide notice of any accidents or claims at the work site to KU’s Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232 and Company’s site authorized representative.

e. Policy limits shall not be deemed to be limit of Licensee’s liability to KU under this Agreement.

f. Licensee agrees to provide notice of material changes or cancellation to KU in writing within thirty (30) days of receipt of notice of such material changes or cancellation in addition to any notice that will be given by the insurance company. Such notice shall be made to the address in paragraph b. above.

21. Confidentiality And Publicity.

Each Party acknowledges that, in the course of the performance of this Agreement, it may have access to privileged and proprietary information claimed to be unique, secret and confidential and which constitutes the exclusive property or trade secrets of the other Party. This information may be presented in documents marked with a restrictive notice or otherwise tangibly designated as proprietary, or disclosed during oral discussions, at which time representatives of the disclosing Party will specify that the information is proprietary. Unless jointly agreed to in writing neither Party shall knowingly disclose to third parties any proprietary information received from the other Party in connection with this Agreement, nor shall they disclose the terms of this Agreement to any other person or entity (other than to their respective Affiliates, directors, officers, employees, agents and contractors who have a need to know the same, and to persons or entities of the typed described in (b) below), unless required in order to prosecute or defend any claim in an action involving any of the parties hereto, or unless required by the Kentucky Open Records Act (KRS 61.770 to 61.884), or any court, governmental agency or regulatory body having competent jurisdiction. In the case of disclosure for such prosecution or defense or as required by any such judicial or quasi judicial body, the non-disclosing Party shall be given sufficient notice so as to allow it to seek a protective order with respect to such disclosure. The Parties shall each protect proprietary information received from the other with the same degree of care that they would take to protect their own proprietary information, and each Party shall be responsible for ensuring that its directors, officers, employees, agents and contractors who have access to the confidential or proprietary information of the other, maintain the confidentiality of such information in accordance with this Section. However, the Parties shall have no obligation to keep confidential any information that is in or becomes part of the public domain through no fault of their own. No Party shall issue news releases, publicity statements or advertising which references the other Party, this Agreement, or any provision hereof, without first obtaining the prior written approval of the other Party; provided, that the foregoing restriction shall not prevent the disclosure by a Party of any proprietary information to the extent (i) in the opinion of that Party’s legal counsel, such disclosure is required by any law, regulation or rule of any securities exchange; or (ii) such disclosure is made to a person or other entity that is itself bound to maintain the confidentiality of the same pursuant
to a written confidentiality agreement with the disclosing Party consistent with the provisions in this Section.

22. **Binding Effect; Assignment; Third Party Beneficiaries.**

All provisions of this Agreement shall inure to the benefit of and be binding upon each of the Parties hereto upon such Party’s execution and delivery hereof, and upon its successors and permitted assigns. Except as otherwise provided herein, no Party shall assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party hereto, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, a Party may assign any or all of its respective rights or obligations under this Agreement to any Affiliate of such Party; provided that in such case the assignor shall remain liable as a co-obligor with the assignee or assignees thereof with respect to the obligations so assigned. Any such assignment to an Affiliate shall be evidenced by a written amendment hereto signed by each of the Parties to this Agreement.

23. **Notice.**

Any notice or request required by this Agreement shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier, if number provided below, with confirmed receipt, to:

**In the case of KU:**

Mr. P. Greg Thomas  
Vice President, Electric Distribution  
KENTUCKY UTILITIES COMPANY  
820 West Broadway  
Louisville, KY 40202  
Phone: (502) 627-4743  
Fax: (502) 627-4165

**With a copy to:**

Office of the General Counsel  
And Corporate Secretary  
KENTUCKY UTILITIES COMPANY  
220 W. Main Street  
Louisville, KY 40202
In the case of Licensee:

COMMONWEALTH OF KENTUCKY
Finance & Administration Cabinet
Office of the Secretary
702 Capitol Avenue
Room 383, Capitol Annex
Frankfort, KY 40601

with copy to

Ledcor Technical Services
Attn: Ledcor Legal Department
1200-1067 West Cordova
Vancouver BC
V6C 1C7
Canada

Ledcor Technical Services
Attn: Jan Summarell
188 Columbia Lane E
Shepherdsville, KY
40165
USA

The designation of the person(s) to be notified, and his, her or their address(es) may be changed by KU or Licensee at any time, or from time to time, by similar notice

24. Fees To Other Persons.

Subject to applicable State Laws, nothing herein shall be construed as affecting in any way any right of KU, and KU shall at all times have the right, to unilaterally establish the license fees chargeable to other Persons for Attachments to or in Structures. Subject to applicable State Laws, the license fees chargeable to other Persons for such Attachments shall in no way affect the license fees chargeable to Licensee under this Agreement.

25. Force Majeure.

In the event Licensee or KU is delayed in or prevented from performing any of its respective obligations under this Agreement due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from the responsible Party’s failure to timely place orders therefor, lack or delay in transportation, or failure of a third party to grant or recognize a right beyond the reasonable control of the Party delayed or due to any other causes beyond the reasonable control of the Party delayed, then such delay or nonperformance shall be excused. If any such delay or nonperformance due to the foregoing causes or events occurs or is anticipated, the Party affected
shall promptly notify the other Party in writing of such event or expected event and the cause and
estimated duration of such event. The Party affected by such event shall, at no cost to the other
Party, exercise due diligence to shorten or avoid the delay or nonperformance and shall keep the
other Party advised as to the continuance of the delay and steps taken to shorten or terminate the
delay or nonperformance. Neither Party shall in any event be entitled to additional compensation
by reasons of the other Party having been delayed in performance of its obligations due to the
foregoing causes or events, whether such delay was excused or not. If KU is unable to perform
obligations under this Agreement due to an event of Force Majeure that lasts more than twenty
(20) days, Licensee shall have the right to terminate the Agreement, in whole or in part, without
any further obligations.

26. **Accounting Standards.**

In computing or estimating expenses, costs, or other charges to be paid or reimbursed by
Licensee under this Agreement, KU shall use the accounting principles, practices, and records
commonly employed in its business and as permitted or required by State Law.

27. **Liens.**

To the extent permitted by law, in the event any construction lien or other encumbrance
shall be placed on the Attachments by the actions of Licensee or its Contractor, Licensee shall
promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or
expense to KU and hereby agrees to indemnify KU for any and all actual damages that may be
suffered or incurred KU in discharging or releasing said lien or encumbrance.

28. **Relationship of Parties and Independent Contractor Status.**

Neither KU nor Licensee shall be deemed to be a partner, agent or joint venturer with or of
the other by reason of this Agreement or the consummation of the transactions contemplated
hereby. KU and Licensee shall perform their duties under this Agreement as independent
contractors, and at their own risk. Neither KU nor Licensee shall at any time hold itself out as
being a partner, co-venturer or agent of the other.

29. **Execution.**

This Agreement may be executed in multiple counterparts, each being deemed an original
and all together being deemed the same document.

30. **Further Assurances.**

Each Party shall execute such assignments, endorsements and other instruments and give
such further assurances and perform such acts as are or may become necessary and appropriate to
effectuate and carry out the provisions of this Agreement.

31. **Fees.**

a. **General.** The provisions of this Section 31 do not apply to Attachments for
which the consideration is the license granted in Section 2(b) above which provides for KU to
receive dark fiber as consideration from Licensee. All fees for the Licensee to use Structures under this Agreement shall become payable annually per Attachment upon approval of Licensee's application for such license, identified by segment of construction or installation. With the exception of Attachments for which the consideration is the license granted in Section 2(b) above, no Attachment shall be affixed to any Structure until fees with respect to such Attachment have been paid or otherwise provided for under this Agreement. Payment of license fees and other consideration provided in this Agreement shall not entitle Licensee to affix or install Attachments if other terms of this Agreement have not been met. KU shall provide Licensee thirty (30) days advance notice of any licensee fee rate changes.

All invoices submitted by KU under this Agreement are due when rendered. If an invoice is not paid thirty (30) days from the invoice date, KU shall send Licensee written notice of its delinquent status. Invoices not paid after sixty (60) days from the original invoice date may incur interest on such unpaid amount from the date such invoice first became due until it is paid at a rate equal to the lesser of one (1%) per month or the maximum rate permitted by law. KU reserves the right to remove Licensee's Attachments from Utility Poles after six (6) months of non-payment of Attachment fees.

b. For all Attachments made under this Agreement other than Attachments for which the consideration is the license granted in Section 2(b) above, the license fee per Attachment approved for installation on the Structures (the "License Fee") shall be nine dollars and sixty-nine cents ($9.69) per Attachment per pole per year (the "License Fee") subject to adjustment as follows.

c. The License Fee shall not be subject to adjustment before the second anniversary of the Effective Date. From time to time thereafter, but not more often than once every two (2) years, KU may recalculate the License Fee. KU shall provide Licensee with written notice of any such recalculation. Any such recalculation shall be based on data from the calendar year prior to the calendar year in which such notice is given and any resulting change in the License Fee shall become effective in the calendar year following the calendar year in which such notice was given. Unless the PSC specifically establishes a License Fee for Licensee in a proceeding before the PSC or directs KU to assess a license fee applicable to telecommunications carrier attachments to KU's poles, the Licensee Fee shall not be affected by any rate case determination or settlement.

d. Fees For Ducts. The fee payable pursuant to this Agreement shall pay for license to use, in any given Duct, a single conduit, inner duct or pipe of no greater size than reasonably necessary to convey the Cable, and in no circumstances greater than 1.25 inches in diameter. Such Ducts, inner ducts and pipes shall be used by Licensee for the sole purpose of conveying the Cable.

i. For all segments in Ducts approved on or before December 31, 2015, the license fee per linear feet of duct space approved for installation in Structures (the License Fee") shall be one dollar and forty-seven cents ($1.47) per linear foot per year (the "Original License Fee").
ii. License Fees for all segments in Ducts existing on or approved after December 31, 2015, up to and including December 31, 2025, shall be escalated by three (3%) percent per year unless otherwise agreed in a writing subsequent hereto signed by the Parties to this Agreement, provided, that any agreed upon change in the License Fee shall be calculated in accordance manner consistent with applicable State Laws. The License Fees for all Structures after December 31, 2025 shall be negotiated at a later date and be reflected in an addendum to this Agreement and shall be calculated in accordance manner consistent with applicable State Laws.

e. **Transmission Structures.** For Licensee to affix Attachments to Transmission Structures, Licensee shall pay, in addition to the Attachment fees as provided above or license granted in Section 2(b) above, an engineering fee equal to KU’s costs of engineering including overheads to the extent not prohibited by applicable State Laws.

f. **Measurements.** All counts and all measurements of linear distance and Conduit and Duct size shall be subject to approval and verification by KU, provided, however, KU’s determination of such count or measurement shall be subject to the provisions of Section 38, Dispute Resolution.

g. **Unauthorized Attachments:** If Licensee makes Attachments not authorized in accordance with Section 5 above ("Unauthorized Attachments"), Licensee shall pay a fee of five (5) times the current annual rental fee per pole containing Unauthorized Attachments if Licensee does not have a permit for Attachments made and the violation is self-reported or discovered though a joint inspection, with an additional sanction of $100 per such pole if the violation is found by KU in an inspection in which Licensee has declined to participate. KU must provide notice of a violation (including pole number and pole location) before seeking relief against Licensee. KU shall give Licensee an opportunity to avoid sanctions by submitting plans for correction of the violation within sixty (60) calendar days of receipt of notification of a violation or by correcting the violation and notifying KU of such correction within 180 calendar days of receipt of notification of the violation. Both Licensee and KU have a mutual obligation to immediately correct violations that pose imminent danger to life or property. If either Party corrects another Party’s violation, the Party responsible for the violation must reimburse the correcting Party for the actual cost of making corrections. The Parties to this Agreement agree to allow a reasonable opportunity for the resolution of factual disputes for a period of thirty (30) days before seeking to mediate their differences.

32. **Entire Agreement.**

This Agreement and the schedules, exhibits and attachments referenced herein constitute the entire Agreement between KU and Licensee regarding the Attachments, and all previous representations relative thereto, either written or oral, are hereby annulled and superseded. No modification shall be binding on KU or Licensee unless it shall be in writing and signed by both Parties. Nothing contained in this Agreement or attached Attachments shall be construed as having any effect in any future agreement or contemplated future agreement between the Parties.
33. **Severability.**

Should any part of this Agreement be deemed invalid, illegal or unenforceable, such part shall be removed from this Agreement and the Agreement shall otherwise remain in full force and effect and shall be applied by the Parties hereto in such manner as most nearly accomplishes the expressed purposes of the Parties in executing this Agreement.

34. **Governing Law.**

The laws of the Commonwealth of Kentucky, without regard to the conflict of laws provisions thereof, shall apply to this Agreement and to its interpretation, except to the extent Federal Laws control. All legal proceedings related to this Agreement shall be brought only in a state or Federal court sitting in the Commonwealth of Kentucky. The Parties acknowledge that the PSC has held that providing space on utility structure falls within the statutory definition of "service" under KRS 278.020(13) and thus is subject to the PSC’s exclusive regulation, and that the PSC has certified to the FCC its jurisdiction over attachments to electric utility poles. In light of the PSC’s action and KRS 278.040, the Parties further acknowledge that the PSC will be the exclusive forum for any dispute regarding the rates and conditions of service under which KU provides space on its structures.

35. **Injunctive Relief.**

The Parties acknowledge that they may not be adequately compensated by money damages in the event of a breach by any other Party of any of its covenants or agreements contained herein and that they may be entitled to specific performance and injunctive relief of such covenants and agreements in accordance with applicable laws, in addition to all other remedies.

36. **Headings.**

Paragraph headings are for the convenience of the Parties only and are not to be construed as part of the terms of this Agreement.

37. **Reservation of Rights.**

By executing this Agreement and performing the terms and conditions herein, neither Party waives any of its rights, and each Party expressly reserves all of its rights including: (i) to advocate its respective positions with respect to any change of law or the applicability of any law and in any appeal of a change of law with respect to any matter that is or might be the subject of this Agreement; and (ii) to challenge any term, condition or provision of this Agreement, including all rates and fees imposed herein, provided that neither Party shall pursue its rights and remedies under law or equity until that Party has first exhausted its administrative remedies in accordance with Section 38. Each Party shall bear its own costs and expenses in challenging any provision of this Agreement pursuant to this Section 37.

38. **Dispute Resolution.**

The provisions of this Section 38 are subject to Chapter 45A of the Kentucky Revised
Statutes. In the event any dispute arises between the Parties under this Agreement, the Party seeking resolution of the dispute must submit written notice to the other describing the dispute and such Party’s desire to resolve the dispute in accordance with the provisions of this Section 38, unless the Parties at any time mutually agree in writing to dispense with the dispute resolution process under this Section 38 for a particular dispute. If the Parties are then unable to resolve such dispute in the normal course of business within fifteen (15) days after delivery of the written notice as provided herein, each of the Parties shall promptly appoint a designated representative who has authority to settle the dispute. The designated representatives shall meet as often as they reasonably deem necessary in order to discuss the dispute and negotiate in good faith in an effort to resolve such dispute. The specific format for such discussions will be left to the discretion of the designated representatives; however, all reasonable requests for relevant non-privileged information made by one Party to the other Party shall be honored. If the Parties are unable to resolve issues related to the dispute within forty-five (45) days after the Parties’ appointment of the designated representatives, then either Party may submit the dispute to the regulatory authority having proper jurisdiction (i.e., the PSC) pursuant to such regulatory authority’s rules and practices for handling such disputes. Each Party shall bear its own costs and expenses in seeking resolution of any dispute under this Agreement pursuant to this Section 38. Neither Party shall pursue its rights and remedies under law or equity until that Party has first exhausted its administrative remedies under this Section 38, unless no regulatory authority has proper jurisdiction, in which case exhaustion of administrative remedies hereunder is not required.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized officers effective the day and year first above written.

KENTUCKY UTILITIES COMPANY

By: [Signature]
Name: Beth McFarland
Title: Dir. Asset Mgmt

COMMONWEALTH OF KENTUCKY
Finance & Administration Cabinet (Licensee)

By: [Signature]
Name: Steve Tucker
Title: Deputy Secretary

APPROVED AS TO FORM & LEGALITY

[Signature]

APPROVED
FINANCE & ADMINISTRATION CABINET
Exhibit A

Form of Access Agreement

(Begins on following page.)
STRUCTURE ACCESS AGREEMENT AND GENERAL RELEASE

This Structure Access Agreement and General Release (this "Access Agreement") is executed on this __ day of __________, 201__ by ____________________, a ________________________ ("Contractor") and KENTUCKY UTILITIES COMPANY, a Kentucky and Virginia corporation ("KU").

WHEREAS, KU, and Commonwealth of Kentucky, Finance and Administration Cabinet ("Licensee") are parties to that certain License Agreement dated August 1, 2015 (the "License Agreement");

WHEREAS, KU is an electric utility company providing services in Kentucky. KU owns and maintains certain "Structures" (as defined in the License Agreement) to support or protect electric service conductor. Such Structures also are useful for supporting and protecting telecommunications cables;

WHEREAS, Licensee has engaged Contractor to perform services on the Structures in accordance with the License Agreement;

WHEREAS, the Contractor desires to gain physical access to the Structures solely in connection with the limited purpose described below; and

WHEREAS, KU is agreeable to granting the Contractor and its authorized employees access to the Structures for such limited purpose, subject to the terms and conditions specified herein.

NOW THEREFORE, the Contractor and KU agree as follows:

1. Grant of License. Subject to the terms and conditions contained herein, KU, in consideration of the obligations of the Contractor as specified herein, hereby grants a non-exclusive license for the Contractor and its authorized employees to access Structures for the limited purpose of performing services for Licensee, including, without limitation, operation of fiber optic cable for Licensee, in accordance with the License Agreement. Further, such access is limited to Structures Licensee has the right to access in accordance with the License Agreement. The license granted hereby shall not run with KU’s title to the Structures or any related real estate and neither this Access Agreement nor the license granted hereby shall constitute an easement appurtenant or other appurtenance to any property. KU shall not be required to secure any right-of-way, easement, license, franchise or permit which may be required for Contractor’s use of the Structures. KU does not represent that any such right-of-way, easement, license, franchise or permit has been obtained.

2. Access. Access to the structures shall be in accordance with the License Agreement. Contractor’s employees shall be under the sole supervision and control of the Contractor and the parties agree that KU’s exercise of its rights under this Access Agreement shall not be construed as supervision or control of such persons by KU.
3. Safety and Drugs and Alcohol. None of the activities undertaken by the Contractor shall unreasonably interfere in the operations of KU or entities affiliated with KU. While accessing the Structures, the Contractor and its authorized employees shall at all times comply with KU's work rules and applicable laws and regulations including those relating to health and safety and the environment. No employee of Contractor or its subcontractors may access the Structures while under the influence of drugs or alcohol. No alcohol may be consumed within four (4) hours of the start of any person's performance of services involving the structures. A person will be deemed under the influence of alcohol if a level of .02 percent blood alcohol or greater is found. All persons who will access any Structure pursuant to this Access Agreement will be subject to drug and alcohol testing under either of the following circumstances: (i) where the person's performance either contributed to an accident or cannot be completely discounted as a contributing factor to an accident which involves off-site medical treatment of any person; and (ii) where KU determines in its sole discretion that there is reasonable cause to believe such person is using drugs or alcohol or may otherwise be unfit for duty. Such persons will not be permitted to perform any services on any Structure until the test results are established. Contractor shall be solely responsible for administering and conducting drug and alcohol testing, as set forth herein, at Contractor's sole expense. As applicable, and in addition to any other requirements under this Access Agreement, Contractor shall develop and strictly comply with any and all drug testing requirements as required by applicable laws or regulations.

4. Termination and Revocation of Access. This Access Agreement shall terminate on the expiration or termination of the License Agreement. Subject to the License Agreement, KU reserves the right, in its sole discretion, to terminate the Contractor's right of access under this Access Agreement at any time. Such termination shall be effective immediately upon delivery of written notice of such termination to the Contractor.

5. General Release, Indemnity and Insurance. Contractor agrees that none of KU, its parents, subsidiaries, and affiliates, and its and their respective directors, officers, employees, representatives, contractors, agents or other persons acting on their behalf (collectively, the "Released Parties"), shall have any liability for, and that Contractor does hereby release and discharge the Released Parties from, any and all damage, loss, injury, claim, demand, suit, liability, penalty, forfeiture, and costs and expenses (including, but not limited to, attorneys' fees and expenses and other costs and expenses of defending against the same), of every kind and nature, known or unknown, that Contractor or its employees, contractors or agents might incur or suffer while at or upon on the Structures, or in connection with its performance of this Access Agreement.

Contractor shall indemnify, defend, and hold harmless KU, its parents, subsidiaries and affiliates, and its and their respective directors, officers, employees, representatives, contractors, agents, and any other persons or entities acting on their behalf from and against any and all damage, loss, injury, claim, demand, suit, liability, penalty, forfeiture, and costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses and other costs and expenses of defending against the same), of every kind and nature, and payment of any settlement or judgment therefore, by reason of (a) bodily and other personal injuries to or deaths of persons, (b) damages to the Structures or any other facilities, equipment or other property of KU, (c) damages to third party property, (d) the release or threatened release by Contractor of a hazardous substance or any
pollution or contamination of or other adverse effects on the environment, or (e) violations of any applicable laws, regulations or ordinances, to the extent resulting or alleged to have resulted from acts or omissions of Contractor, its employees, agents, subcontractors, or other representatives in connection with this Access Agreement, whether suffered directly by KU or indirectly by reason of third party claims, demands, or suits. This obligation to indemnify, defend, and hold harmless shall survive termination or expiration of this Access Agreement.

For the entire duration of this General Commercial Agreement (and thereafter until the completion of all Contracts) on a per occurrence basis with respect to any Contract, Contractor shall provide and maintain, and shall require any of its subcontractors to provide and maintain, the following insurance (and, except with regard to workers’ compensation and professional liability, naming each Company as additional insured and waiving rights of subrogation against the Companies and their insurance carrier(s)), and Contractor shall submit evidence of such coverage(s) of Contractor to Company prior to the start of the Work and, furthermore, Contractor shall notify Company, prior to the commencement of any Work pursuant to any Statement of Work and/or Purchase Order, of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to the benefit of Company as hereinafter specified:

(a) Workers’ Compensation and Employer’s Liability Policy, which shall include:

1) Workers’ Compensation (Coverage A), with statutory limits, and in accordance with the laws of the state where the Work is performed;
2) Employer’s Liability (Coverage B) with minimum limits of One Million Dollars ($1,000,000) Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee;
3) Thirty (30) Day Cancellation Clause; and
4) Broad Form All States Endorsement.

(b) Commercial General Liability Policy, which shall have minimum limits of One Million Dollars ($1,000,000) each occurrence; One Million Dollars ($1,000,000) Products/Completed Operations Aggregate each occurrence; One Million Dollars ($1,000,000) Personal and Advertising Injury each occurrence, in all cases subject to Two Million Dollars ($2,000,000) in the General Aggregate for all such claims, and including:

1) Thirty (30) Day Cancellation Clause;
2) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Contractor under this Agreement;
3) Broad Form Property Damage; and
4) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions).

(c) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of One Million Dollars ($1,000,000) each occurrence with respect to Contractor’s vehicles assigned to or used in performance of Work under this Agreement.
(d) Umbrella/Excess Liability Insurance with minimum limits of Two Million Dollars ($2,000,000) per occurrence; Two Million Dollars ($2,000,000) aggregate, to apply to employer’s liability, commercial general liability, and automobile liability.

(e) To the extent applicable, if any fixed wing or rotor craft aircraft will be used by Contractor in performing the Work, Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of Five Million Dollars ($5,000,000) including passenger liability coverage.

(f) To the extent applicable, if engineering or other professional services will be separately provided by Contractor as specified in the Statements of Work, then Professional Liability Insurance with limits of Three Million Dollars ($3,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate, which insurance shall be either on an occurrence basis or on a claims made basis (with a retroactive date satisfactory to Company).

The above policies to be provided by Contractor shall be written by insurance companies which are both licensed to do business in the state where the Work will be performed and either satisfactory to Company or having a Best Rating of not less than “A-”. These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Contractor and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to: Attention: Manager, Supply Chain, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

Company reserves the right to request and receive a summary of coverage of any of the above policies or endorsements; however, Company shall not be obligated to review any of Contractor’s certificates of insurance, insurance policies, or endorsements, or to advise Contractor of any deficiencies in such documents. Any receipt of such documents or their review by Company shall not relieve Contractor from or be deemed a waiver of Company’s rights to insist on strict fulfillment of Contractor’s obligations under this Agreement.

Contractor shall provide notice of any accidents or claims at the Work site to Company’s Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232 and Company’s site authorized representative.

6. Release and Indemnity Regarding Liens. Contractor hereby releases and/or waives for itself and its successors in interest, and for all subcontractors and their successors in interest, any and all claims or right of mechanics or any other type of lien to assert and/or file upon KU’s property or any part thereof as a result of performing services or providing materials in connection with this Access Agreement. Contractor shall execute and deliver to KU such documents as may be required by applicable laws (i.e., partial and/or final waivers of liens and/or affidavits of indemnification) to make this release effective and shall give all required notices to its subcontractors with respect to ensuring the effectiveness of the foregoing releases against those parties. Contractor shall secure the removal of any lien that Contractor has agreed to release in this paragraph within five (5) working days of receipt of written notice from KU to remove such lien.
If not timely removed, KU may remove the lien and charge all costs and expenses including legal fees and expenses to Contractor including, without limitation, the costs of bonding off such lien.

7. Designated Representatives. Delivery of any notice or other submittal under this Access Agreement shall be deemed effective upon delivering a copy by nationally recognized overnight courier.

Authorized Representative
For Contractor

Authorized Representative
For KU

Mr. P. Greg Thomas
Vice President, Electric Distribution
KENTUCKY UTILITIES COMPANY
820 West Broadway
Louisville, KY 40202
Phone: (502) 627-4743
Fax: (502) 627-4165

With a copy to:

Office of the General Counsel
And Corporate Secretary
KENTUCKY UTILITIES COMPANY
220 W. Main Street
Louisville, KY 40202

Either party may change its authorized representative by providing written notice of such change to the other party five (5) days prior to the effective date of such change.

8. Assignment. The Contractor shall be prohibited from assigning its rights under this Access Agreement to any person without the prior express written approval of KU.

9. Miscellaneous. This Access Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns (in the case of Contractor, to the extent an assignment is permitted).

All activity performed by or on behalf of Contractor in connection with this Access Agreement shall, except as provided in the License Agreement, be performed without cost or
expense to KU and shall be performed in compliance with all applicable local, state and federal laws, rules and regulations.

If any provision of this Access Agreement shall be held invalid under law, such invalidity shall not affect any other provision or provisions hereof, which are otherwise valid. This Access Agreement and the terms and provisions hereof shall be construed and enforced in accordance with the laws of the Commonwealth of Kentucky without regard to the conflicts of laws principles of such commonwealth.

KU and the Contractor agree that any legal action or proceeding under or with respect to this Access Agreement may be brought in the courts of the Commonwealth of Kentucky or the United States located in Jefferson County, Kentucky; and for the purpose of any such legal action or proceeding, the Contractor hereby submits to the non-exclusive jurisdiction of such courts. The Contractor hereby agrees not to raise and waives any objection it may have or defense it may have based on the venue of such courts or based upon an inconvenient forum. The Contractor also agrees not to bring any legal action or proceeding under or with respect to this Access Agreement outside Jefferson County, Kentucky unless, for some reason, the courts having jurisdiction in Jefferson County, Kentucky refuse or do not have jurisdiction in the matter.

This Access Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof.

This Access Agreement may not be amended or changed in any respect except by written instrument signed by all parties hereto.

No waiver of any provision herein or of a breach of any provision shall constitute a waiver of any other breach or of any other provision.

KU shall have the right to recover from the Contractor all expenses, including but not limited to reasonable attorneys' fees and expenses, arising out of the Contractor's breach of this Access Agreement or any other action by KU to enforce or defend KU's rights hereunder. The rights and remedies of KU under this Access Agreement are cumulative and not exclusive of any rights or remedies to which KU is entitled by law or equity. The exercise by KU of any right or remedy under this Access Agreement, under applicable law or at equity shall not preclude KU from exercising any other right or remedy under this Access Agreement, under applicable law or at equity.
IN WITNESS WHEREOF, the parties hereto caused this Access Agreement to be executed by their duly authorized officers or representatives effective on the date first written above.

By: __________________________________________
Name: ________________________________________
Title: __________________________________________

KENTUCKY UTILITIES COMPANY

By: __________________________________________
Name: ________________________________________
Title: __________________________________________
SCHEDULE 1

KU SERVICE TERRITORY

Operational Areas
- Area 1: Danville, Lexington, Shelbyville
- Area 2: Maryville, Richmond
- Area 3: Harrodsburg, Elizabethtown
- Area 4: Norton, Parisville
KentuckyWired
Middle Mile Architectural Plan

Expedited development to complete priority rings along I-75 Spine and in Eastern Kentucky

Preliminary - Not To Be Used for Construction

Network Completion
By FALL 2018
Kentucky Utilities Company

Application for Third Party Attachment

Type of Attachment:  

Location:  

Application will not be accepted without applicable drawings.

Make-Ready Work Required:  

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<th>Pole Number</th>
<th>Number of Attachments</th>
<th>Cables</th>
<th>Services</th>
<th>Miscellaneous</th>
<th>Pole Locations &amp; Remarks</th>
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Make-Ready Work Requested Completion Date:

Applicant’s Contact Information for Contracts

Applicant’s Engineering Representative

By:  
Title:  
Phone:  

KU Representative

By:  
Title:  
Phone:  

All Third Party Pole Attachment inquiries shall be directed to the local KU Operations design staff.

Applicant is responsible for notifying KU代表性 persons upon completion of work such that a job audit may be performed.

TO BE COMPLETED BY KU ONLY

Application granted for ______ attachment(s), subject to applicant approval of changes and rearrangements at an estimated cost to the applicant.

of $______ ("Make-Ready Cost").

KU Representative

By:  
Title:  

Total Attachments Requested on this Application:  

Date:  

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