



A Touchstone Energy Cooperative 

P.O. Box 990 • 1201 Lexington Road • Nicholasville, Kentucky 40340-0990
Phone: 888-546-4243 • Fax: 859-885-2854 • www.bgenergy.com

November 4, 2015

Commonwealth of Kentucky
Finance and Administration Cabinet
Office of General Counsel
Attention: Doug Hendrix
702 Capital Avenue, Room 392
Frankfort, KY 40601

Dear Mr. Hendrix,

Enclosed is an executed copy of the Agreement between Blue Grass Energy Cooperative Corporation and Commonwealth of Kentucky for your records. If you need anything additional please let me know.

Thanks,

A handwritten signature in black ink that reads "Allen Sturgill".

Allen Sturgill
Manager, Reliability

Enclosure

AGREEMENT

THIS AGREEMENT, made this 28th day of October, 2015, by and between Blue Grass Energy Cooperative Corporation, whose mailing address is P.O. Box 990, 1201 Lexington Road, Nicholasville, Kentucky, 40340-0990, hereinafter called "Cooperative," party of the first part, and Commonwealth of Kentucky, whose address is Office of the Secretary, 702 Capitol Ave, Room 383, Capitol Annex, Frankfort, KY 40601, hereinafter called party of the second part.

For good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the Cooperative hereby agrees to lease to Second Party space on Cooperative poles for installation and maintenance of Second Party's cables and other attachments as herein described. This lease is made under the following terms and conditions:

ARTICLE I

RENTAL CHARGE

The yearly rental charges shall be per pole attachments.

ARTICLE II

SPECIFICATIONS

1. Second Party's cables, wires, appliances, and any other attachments in each and every location, shall be erected and maintained in accordance with requirements and specifications of the National Electrical Safety Code, in effect at time of construction, current edition, and Cooperative's construction practices, as all may be changed from time to time, or any amendments or revisions of said Code and in compliance with any orders, or regulations now in effect or that hereinafter may be issued by the Public Service Commission of

Kentucky, or other authority having jurisdiction and with all federal, state or local laws, rules, or regulations that may be changed from time to time. In the event any of the Second Party's construction does not meet any of the foregoing requirements, Second Party will correct same in fifteen (15) work days after written or oral notification. The Cooperative may make corrections and bill Second Party for total costs incurred, if not corrected by Second Party with the applicable time limit.

2. The Cooperative may make such corrections and charge a reasonable fee for the total construction costs incurred. Second Party, at all times, warrants compliance with all the requirements as set out above and assumes the continuing responsibility for such compliance in the future and assumes all responsibility for any damages, fines or penalties resulting from any noncompliance. The Cooperative undertakes no duty with respect to such compliance by requiring Second Party to meet any specifications or by requiring or failing to require any corrections, modifications, additions or deletions to any work or planned work by Second Party.

3. The attachment to poles covered by this tariff shall at all times conform to the requirements of the National Electrical Safety Code, and subsequent revision thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.

4. The strength of poles covered by this Agreement shall be sufficient to withstand the transverse and vertical load imposed upon them under the storm loading of the National Electrical Safety Code assigned for the area in which they are located.

ARTICLE III

BILLING

1. Rental charges shall be billed based on the number of pole attachments. The rental charges are net, the gross being five percent (5%) higher. In the event the monthly bill

is not paid within thirty (30) days from the date of the bill, the Commonwealth of Kentucky shall pay a penalty of 1% per month on the past due balance until paid. .

NOTE: Discount or penalty must apply to all electric customers, but shall apply to advance billing only if given at least thirty (30) days before the late penalty takes effect.

2. Bills for inspections, expenses, and other charges under this Agreement shall be payable within thirty (30) days after presentation. Non-payment of bills that are not cured within thirty (30) days shall constitute a default of this Agreement.

ARTICLE IV

ESTABLISHING POLE USE

1. Before the Second Party shall make use of any of the poles of the Cooperative under this Agreement, they shall notify the Cooperative of their intent in writing and shall comply with the procedures established by the Cooperative. The Second Party shall furnish the Cooperative detailed construction plans and drawings for each pole line, together with necessary maps, indicating specifically the poles of the Cooperative, the number and character of the attachments to be placed on such poles, and rearrangements of the Cooperative's fixtures and equipment necessary for the attachment, any relocation or replacements of existing poles, and any additional poles that Second Party may request.

The Cooperative shall, on the basis of such detailed construction plans and drawings, submit to the Second Party a cost estimate (including overhead and less salvage value of materials) of all changes that may be required it each such pole line. Upon written notice by the Second Party to the Cooperative that the cost estimate is approved, the Cooperative shall proceed with the necessary changes in pole lines covered by cost estimate.

Upon completion of all changes, the Second Party shall have the right hereunder to make attachments in accordance with the terms of the application of this Agreement. The Second Party shall, at his own expenses, make attachments in such manner as not to interfere

with the service of the Cooperative.

2. Upon completion of all changes, the Second Party shall pay to the Cooperative the actual cost (including overhead and less salvage value of materials) of making such changes. The obligation of the Second Party hereunder shall not be limited to amounts shown on estimates made by the Cooperative hereunder. An itemized statement of the actual cost of all such changes shall be submitted by the Cooperative to the Second Party in a form mutually agreed upon.

3. Any re-clearing of existing rights-of-way and any tree trimming necessary for the establishment of pole line attachments hereunder shall be performed by the Second Party.

4. All poles to which attachments have been made under this Agreement shall remain the property of the Cooperative, and any payments made by the Second Party for changes in pole line under this Agreement shall not entitle the Second Party to the ownership of any of said poles.

5. Any changes necessary for correction of substandard installation made by the Second Party, where notice of intent had not been requested, shall be billed at rate equal to twice the charges that would have been imposed if the attachment had been properly authorized.

PERMITTED ATTACHMENTS

1. The Cooperative agrees to permit Second Party to attach and maintain the facilities described in the Schedule A to the Cooperative's poles, in the manner set out and pursuant to the provision of this Agreement. Any attachment other than to tangent poles must be properly braced with guys and anchors provided by Second Party to the satisfaction of the Cooperative. The use of existing Cooperative anchors for this purpose will not ordinarily be permitted. Second Party agrees to pay the Cooperative the fees set forth in Article XVI. All attachments made pursuant to this Agreement shall be at such points and in such manner as

the Cooperative or its employees may direct.

2. The Cooperative reserves the right to prohibit the use of any existing anchors by Second Party where the strength or conditions of said anchors cannot be readily identified by visual inspection.

3. The Second Party shall be permitted to make only one bolt attachment for one messenger on tangent Poles and two bolt attachments for two messengers on corner poles. Any messenger attachment other than to tangent poles must be properly braced with guys and anchors provided by Second Party to the satisfaction of the Cooperative. The use of existing Cooperative anchors for this purpose must be specifically authorized in writing, subject to additional charge, and will not ordinarily be permitted. The use of cross-arms or brackets shall not be permitted. Second Party power supply installations shall not be permitted. Any or all of the above are considered one attachment for billing purposes. Any additional attachments desired by Second Party will be considered on an individual basis by the Cooperative, and as a separate attachment application.

ARTICLE V

ATTACHMENT APPLICATIONS AND PERMITS

1. Before making attachment to any pole or poles of the Cooperative, Second Party shall make application and receive a written authorization therefore from Cooperative. The information submitted by Second Party with the application for an attachment shall consist of drawings and associated descriptive matter which shall be adequate in all detail to enable the Cooperative to thoroughly check the proposed installation of Second Party. Before the attachments are made, the permit must be approved by the Cooperative. Second Party shall not build separate pole lines along existing facilities of the Cooperative and shall not place intermediate poles in spans of the Cooperative, unless authorized by the Cooperative in writing. The Cooperative shall have the right to remove unauthorized Second

Party attachments at Second Party's expense after notice to Second Party. In the event a pole attachment count does not correspond to the recorded attachment count, Second Party will pay a back rental fee for any excess attachments. The back rental fee will be double the rate otherwise in effect over the time since last pole attachment count and shall be payable on demand.

2. In addition to other requirements herein expressed all work done by Second Party in connection with its attachments shall be approved in writing by a licensed Professional Engineer.

3. In addition to costs otherwise herein expressed, Second Party shall be responsible for all "make-ready" costs, including but not limited to engineering expenses.

ARTICLE VI

RIGHT-OF-WAY AND EASEMENTS

1. Second Party shall submit to the Cooperative evidence, satisfactory to the Cooperative, of Second Party's authority to erect and maintain Second Party's facilities within Public streets, highways, and other thoroughfares within the above described territory which is to be served and shall secure any necessary consent by way of franchise or other satisfactory license, permit or authority, acceptable to the Cooperative from State, County or municipal authorities or from the owners of property where necessary to construct and maintain facilities at the locations of poles of the Cooperative which it desires to use. Second Party must secure its own easement rights on private property. Second Party's operation must, regardless of authority received or franchises given by governmental agencies conform to all requirements of this Agreement with regard to the Cooperative's property. The Cooperative's approval of attachments shall not constitute any representation or warranty by the Cooperative to Second Party regarding Second Party's right to occupy or use any public or private right-of-way.

2. The Cooperative does not warrant nor assure to the Second Party any rights-of-way privileges or easements, and if the Second Party shall at any time be prevented from placing or maintaining its attachments on the Cooperative's poles, no liability on account thereof shall attach to the Cooperative.

ARTICLE VII

CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

1. All facilities attached pursuant to this Agreement shall be erected and maintained in compliance with the requirements and specification of the current National Electrical Safety Code; the Cooperative's construction practices, all as may be changed from time to time; with any rules, orders, or regulations now in effect or that hereinafter may be issued by the Public Service Commission of Kentucky; and with all existing applicable federal, state or local laws, rules, regulations orders and ordinances issued by any federal, state or local authority and as may be changed from time to time. In the event any part of Second Party's construction does not meet any of the above requirements, Second Party will correct same within fifteen (15) work days after written notification. If Second Party fails to correct same within fifteen (15) work days, the Cooperative may make such corrections and charge Second Party for the total costs incurred, which may include attorney's fees and court costs. Second Party, at all times, warrants compliance with all the requirements as set out above and assumes the continuing responsibility for such compliance in the future and assumes all responsibility for any damages, fines or penalties resulting from any noncompliance. The Cooperative undertakes no duty with respect to such compliance by requiring Second Party to meet any specifications or by requiring or failing to require any corrections, modifications, additions or deletions to any work or planned work by Second Party.

MAINTENANCE OF POLES, ATTACHMENTS, AND OPERATION

1. Whenever right-of-way considerations or public regulations make relocation of a pole, or poles necessary, such relocation shall be made by the Cooperative at its own expense, except that each party shall bear the cost of transferring its own attachments.

2. Whenever it is necessary to replace or relocate an attachment, the Cooperative shall, before making such replacement or relocation, give forty-eight (48) hours notice (except in cases of emergency) to the Second Party, specifying in said notice the time of such proposed replacement or relocation, and the Second Party shall, at the time so specified, transfer its attachments to the new or relocated pole. Should the Second Party fail to transfer its attachments to the new or relocated pole at the time specified for such transfer of attachments, the Cooperative may elect to do such work and the Second Party shall pay the Cooperative the cost thereof.

3. Any existing attachment of Second Party, which does not conform to the specifications as set out in this Agreement hereof, shall be brought into conformity therewith as soon as practical. The Cooperative, because of the importance of its service, reserves the right to inspect each new installation of the Second Party on its poles and in the vicinity of its lines or appurtenances. Such inspection made or not, shall not operate to relieve the Second Party of any responsibility, obligation or liability assumed under this Agreement.

4. The Cooperative reserves to itself, its successor and, assigns, the right to maintain its poles and to operate its facilities hereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements. The Cooperative shall not be liable to the Second Party for any interruption of service of Second Party or for interference with the operation of the cables, wires, and appliances of the Second Party arising in any manner out of the use of the Cooperative's poles hereunder.

5. Second Party shall, at its own expense, make and maintain said attachments in safe condition and in thorough repair, and in a manner suitable to the Cooperative and so as

not to conflict with the use of said poles by the Cooperative, or by other parties, firms, corporations, governmental units, etc., using said poles, pursuant to any license or permit by the Cooperative, or interfere with the working use of facilities thereon or which may, from time to time, be placed thereon. Second Party shall promptly at any time, at its own expense, upon written notice from the Cooperative, relocate, replace or renew its facilities placed on said poles, and transfer them to substituted poles, or perform any other work in connection with said facilities that may be required by the Cooperative, but in no case longer than two months after date of written request. In cases of emergency, however, the Cooperative may arrange to relocate, replace or renew the facilities placed on said poles by Second Party, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles, the facilities thereon or which may be placed thereon, or for the service needs of the Cooperative, or its other licensees, and Second Party shall, on demand, reimburse the Cooperative for the expense thereby incurred.

6. The Second Party shall be solely responsible for the costs of maintaining or repairing fiber optic cables.

7. Second Party shall be responsible for maintaining, repairing and replacing all attachments made by the Second Party.

8. The Cooperative shall exercise reasonable care to avoid damaging the facilities of the Second Party, make an immediate report to the Second Party of the occurrence of any such damage caused by its employees, agents, or contractors, and, except for removal for non-payment of or failure to post or maintain the required "Performance Bond," agrees to reimburse the Second Party for all reasonable costs incurred by the Second Party for the physical repair of facilities damaged by the negligence of the Cooperative.

COSTS ASSOCIATED WITH ATTACHMENTS

1. In the event that any pole or poles of the Cooperative to which Second Party desires to make attachments are inadequate to support the additional facilities in accordance with the aforesaid specifications, the Cooperative will indicate on the application and permit the changes necessary to provide adequate poles and the estimated cost thereof to Second Party. If Second Party still desires to make the attachments, and returns the form to the Cooperative marked to so indicate, the Cooperative will replace such inadequate poles with suitable poles and Second Party will on demand, reimburse the Cooperative for the total cost of pole replacement necessary to accommodate Second Party's attachments, less the salvage value of any pole that is removed, and the expense of transferring the Cooperative's facilities from the old to the new poles. Where Second Party desired attachments can be accommodated on present poles of the Cooperative by rearranging the Cooperatives' facilities thereon, Second Party will compensate the Cooperative for the full expense incurred in completing such rearrangements, within ten days after receipt of the Cooperatives invoice for such expense. Second Party will also, on demand, reimburse the owner or owners of other facilities attached to said poles for any expense incurred by it or them in transferring or rearranging said facilities. In the event Second Party makes an unauthorized attachment which necessitates rearrangements when discovered, the Second Party shall pay on demand twice the expense incurred in completing such rearrangements.

ARTICLE VIII

INSPECTION

1. The Cooperative reserves the right to Inspect each new installation of Second Party on its poles and in the vicinity of its lines or appliances and to make periodic inspections, every two (2) years or more often as plant conditions warrant of the entire plant of Second Party. Such inspections made or not, shall not operate to relieve Second Party of

any responsibility, obligation or liability assumed under this Agreement.

2. Cooperative reserves the right to inspect at any time, in its sole discretion, facilities described in the attached Schedule. Second Party shall, on demand, reimburse Cooperative for the expense of any such inspections at the Cooperative's prevailing wage rate per man-hour plus associated expenses and applicable overheads. Such inspections made or not, shall not operate to relieve Second Party of any responsibility or liability assumed under this Agreement. The Cooperative undertakes no duty to inspect such facilities or insure that no damage or loss occurs by reason of such facilities.

3. Make-Ready Inspection: Any "make-ready" or "walk-through" inspections required of the Cooperative will be paid for by the Second Party at a rate equal to the Cooperative's actual expense, plus appropriate overhead charges.

4. The Cooperative shall not be liable to Second Party for any interruption to service to Second Party's subscribers or for interference with the operation of the cables, wires and appliances of Second Party's arising in any manner of the use of the Cooperative's poles hereunder.

ARTICLE IX

MAINTENANCE AND OPERATION OF COOPERATIVE'S FACILITIES

1. The Cooperative, reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will, in its own judgment, best enable it to fulfill its own service requirements, but in accordance with the specifications hereinbefore listed.

2. At all times, Second Party shall maintain, operate and construct all facilities in such manner to insure that the Cooperative has full and free access to all of its facilities for the purpose of repairing, rebuilding, replacing, maintaining or operating such facilities.

ARTICLE X

CHANGE OF USE PROVISION

1. When the Cooperative subsequently requires a change in its poles or attachment for reasons unrelated to the Second Party's operations, the Second Party shall be given forty eight (48) hours notice of the proposed change (except in case of emergency). If the Second Party is unable or unwilling to meet the Cooperative's time schedule for such changes the Cooperative may do the work and charge the Second Party its reasonable cost for performing the change of Second Party's attachments.

ARTICLE XI

ABANDONMENT

1. If the Cooperative desires at any time to abandon any pole to which Second Party has attachments, it shall give the Second Party notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Cooperative shall have no attachments on such pole, but the Second Party shall not have removed all of its attachments them from such pole shall thereupon become the property of the Second Party, and the Second Party shall save harmless the Cooperative from all obligation, liability, damages, cost, expenses or charges incurred thereafter; and shall pay the Cooperative for such pole an amount equal to the Cooperative's depreciated cost thereof. The Cooperative shall further evidence transfer to the Second Party of title to the pole by means of a bill of sale.

2. The Second Party may at any time abandon the use of the attached pole by giving due notice thereof in writing to the Cooperative and by removing therefrom any and all attachments it may have thereon. The Second Party shall in such case pay to the Cooperative the full rental for said pole for the then current billing period.

ARTICLE XII

RIGHTS OF OTHERS

1. Upon notice from the Cooperative to the Second Party that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit governing the use of such pole or poles shall immediately terminate and the Second Party shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

ARTICLE XIII

PAYMENT OF TAXES

1. Each party shall pay all taxes and assessments lawfully levied on its own property upon said attached poles, and the taxes and the assessments, which are levied on said property, shall be paid by the owner thereof, but any tax fee, or charge levied on the Cooperative's poles solely because of their uses by the Second Party shall be paid by the Second Party.

ARTICLE XIV

DISCONTINUANCE OF SERVICE

1. The Cooperative may refuse or discontinue serving an application or customer under the conditions set out in 807 KAR 5:006, Section 11.

ARTICLE XV

RENTALS

1. Second Party shall pay to the Cooperative, for attachments made to poles under this Agreement, an annual rental charge per attachment of \$29.00 and a 2% escalator for the 1st of January of each respective year to the following December 31st provided

however that should this Agreement be terminated in accordance with the terms of the said Agreement at any time after January 1 of any year and prior to December 31st of that year, the annual rentals will be prorated from January 1 to the date of such termination. The rental payments herein provided for shall be made on an annual basis upon the number of poles on which attachments are being maintained on the 1st day of December.

ARTICLE XVI

PRECAUTIONS TO AVOID FACILITY DAMAGE

1. Second Party shall exercise precautions to avoid damage to facilities of the Cooperative and of others supported on said poles; and hereby assumes all responsibility for any and all loss for such damage caused by it. Second Party shall make an immediate report to the Cooperative of the occurrence of any damage and hereby agrees to reimburse the Cooperative for the expense incurred in making repairs.

ARTICLE XVII

THIS SECTION DELETED AS AGREED BY BOTH PARTIES

ARTICLE XVIII

INDEMNITIES AND INSURANCE

1. To the extent permitted by law, including but not limited to Section 177 of the Kentucky constitution, Second Party agrees to defend, indemnify and save harmless the Cooperative from any and 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 and payment of any settlement or judgment therefore, by reason of (a) injuries or death to persons, (b) damages to or destructions of properties, (c) pollution, contaminations of or other adverse effects on the environment or (d) violations of

governmental laws, regulations or orders whether suffered directly by the Cooperative itself or indirectly by reason of claims, demands or suits against it by third parties (e) failure of Second Party to adhere to the terms of this Agreement, resulting or alleged to have resulted from acts of omissions of Second Party, its employees, agents, or other representatives or Second Party's sub-contractors or sub-contractor's employees, or from their presence on the premises of the Cooperative, either solely or in concurrence with any alleged joint negligence of the Cooperative. Notwithstanding the foregoing, Second Party shall not defend, indemnify and save harmless the Cooperative from any damage, loss, claim demand, suit, liability, penalty or forfeiture arising in connection with the acts or omissions of the Cooperative, its employees, agents and representatives.

2. Second Party, or its Contractors, shall provide and maintain in an Insurance Company(s) authorized to do business in the Commonwealth of Kentucky, the following.

- A. Insurance protection for Second Party's employees to the extent required by the Workmen's Compensation Law of Kentucky and, where same is not applicable or if necessary to provide a defense for the Cooperative, Employer's Liability Protection (covering both the Cooperative and Second Party) for Second Party's employees for no less than \$100,000.00 per employee.
- B. Public Liability and Business Liability insurance with a minimum limit of \$500,000.00 for each person injured and with a minimum total limit of \$1,000,000.00 for each accident and a minimum limit of \$100,000.00 for property damage for each accident.
- C. Public Liability and Property Damage insurance on all automotive equipment used by Second Party on job to the extent of the amounts for Public Liability and Property Damage insurance set out in the preceding subparagraph 2 (A) and (B).

- D. In the event that work covered by this Agreement includes work to be done in places or areas where the Maritime Laws are in effect, then and in that event additional insurance protection to the limits in Paragraph (2), subparagraphs (A) and (B) above for liability arising out of Maritime Laws.
- E. In the event the work covers fixed wing aircraft, rotor lift, lighter than air aircraft or any other form of aircraft, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (2), subparagraphs (A) and (B).
- F. In the event the work covers blasting, explosives or operations underground, in trenches or other excavations, appropriate insurance will be carried affording protection to the limits prescribed in the preceding Paragraph (2), subparagraphs (A) and (B), together with products hazard and completed operations insurance where applicable, affording protection to the limits above prescribed. Second Party's liability insurance shall be written to eliminate XCU exclusions. Said insurance is to be kept in force for not less than one year after cancellation of this Agreement.

3. Before starting work, Second Party shall furnish to the Cooperative a certificate(s) of insurance satisfactory to the Cooperative, evidencing the existence of the insurance required by the above provisions, and this insurance may not be canceled for any cause without sixty (60) days advance written notice being first given the Cooperative; provided, that failure of the Cooperative to require Second Party to furnish any such certificate(s) shall not constitute a waiver by the Cooperative of Second Party's obligation to maintain insurance as provided herein.

Each policy required hereunder shall contain a contractual endorsement written as follows:

"The insurance provided herein shall also be for the benefit of Blue Grass

Energy Cooperative Corporation so as to guarantee, within the policy limits, the performance by the named insured of the indemnity provisions of the Agreement between the named insured and Blue Grass Energy Cooperative Corporation. This insurance may not be canceled for any cause without sixty (60) days advance written notice being first given to Blue Grass Energy Cooperative Corporation."

ARTICLE XIX

ATTACHMENT REMOVAL AND NOTICES

1. Second Party may at any time voluntarily remove its attachments from any pole or poles of the Cooperative, but shall immediately give the Cooperative written notice of such removal. No refund of any rental will be due on account of such voluntary removal.

ARTICLE XX

FORBIDDEN USE OF POLES

1. Prior to Second Party's initial attachment, the Cooperative reserves the right due to engineering design requirements to refuse use by Second Party of certain or specific poles or structures (such as normal transmission routes). Upon notice from the Cooperative that the use of any pole or poles is forbidden by municipal or other public authorities or by property owners, the permit covering the use of such pole or poles shall immediately terminate and the Second Party shall remove its facilities from the affected pole or poles at once. No refund of any rental will be due on account of any removal resulting from such forbidden use.

ARTICLE XXI

NON-COMPLIANCE

1. If Second Party shall fail to comply with any of the provisions of this

Agreement or default in any of its obligations under this Agreement, the Cooperative may, at its option, forthwith terminate this Agreement or the permit covering the poles as to which such default or non-compliance shall have occurred, by giving written notice to the Second Party of said termination. No refund of any rental will be due on account of such termination.

ARTICLE XXII

WAIVERS

1. Failure 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.

ARTICLE XXIII

USE OF COOPERATIVE'S FACILITIES BY OTHERS

1. Nothing herein contained shall be construed as affecting the rights or privileges previously conferred by the Cooperative by contract or otherwise, to others, not parties to this Agreement, to use any poles covered by this Agreement; and, the Cooperative shall have the right to continue and to extend such rights or privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements.

ARTICLE XXIV

ASSIGNMENT

1. The Second Party shall not assign, transfer or sublet the privilege hereby granted without the prior consent in writing of the Cooperative.

ARTICLE XXV

PROPERTY RIGHTS

1. No use, however extended, of the Cooperative poles under this Agreement shall create or vest in the Second Party any ownership or property rights in said poles, but Second Party shall be and remain a lessee only. Nothing herein contained shall be construed to compel the Cooperative to maintain any of said poles for a period longer than demanded by its electric service requirements.

ARTICLE XXVI

TERMINATION

1. Upon termination of the Agreement in accordance with any of its terms, Second Party shall immediately remove its cables, wires and appliances from all poles of the Cooperative. If not removed, the Cooperative shall have the right to remove them at the cost and expense of Second Party.

ARTICLE XXVII

SECURITY

THIS SECTION DELETED AS AGREED BY BOTH PARTIES

ARTICLE XXVIII

NOTICES

1. Any notice or request required by this Agreement shall be deemed properly given if mailed, postage prepaid, to Blue Grass Energy Cooperative Corporation, P. O. Box 990, 1201 Lexington Road, Nicholasville, Kentucky, 40340-0990 Attention: Allen Sturgill; or to Second Party:

2.
COMMONWEALTH OF KENTUCKY LEDCOR TECHNICAL SERVICES
Finance & Administration Cabinet Attn: Ledcor Legal Department
Office of the Secretary 1200-1067 West Cordova
702 Capitol Ave. Vancouver, BC
Room 383, Capitol Annex V6C-1C7
Frankfort, KY 40601 Canada

With a copy to

COMMONWEALTH OF KENTUCKY LEDCOR TECHNICAL SERVICES
Finance & Administration Cabinet Attn: Jan Summarell
Office of General Counsel 188 Columbia Lane E.
702 Capitol Ave. Shepherdsville, KY 40165
Room 383, Capitol Annex
Frankfort, KY 40601.

The designation of the person to be notified, and/or his address may be changed by the Cooperative or Second Party at any time, or from time to time, by similar notice.

ARTICLE XXIX

ADJUSTMENTS

1. Nothing contained herein shall be construed as affecting in any way the right of the Cooperative, and the Cooperative shall at all times have the right, to unilaterally file with the Public Service Commission a change in rental charges for attachments to poles, other charges as provided for, any rule, regulation, condition or any other change required. Such change or changes to become effective upon approval of the Commission or applicable regulations or statutes, and shall constitute an amendment to this Agreement

ARTICLE XXX

TERM OF AGREEMENT

1. This Agreement shall become effective upon execution by both parties and

shall continue in effect for successive terms of one (1) year, subject to provision contained in this Agreement. At any time however, either Party may terminate this Agreement by giving not less than six (6) months prior written notice. Upon termination of this Agreement, Second Party shall immediately remove its cables, wire, appliances and all other attachments from all poles of the Cooperative.

ARTICLE XXXI

BINDING EFFECT

1. This Agreement shall extend to and bind the successors and assign of the parties hereto.

ARTICLE XXXII

GOVERNING LAW

1. The Parties agree that all disputes that may arise by and between the parties hereto shall be governed by the laws of the Commonwealth of Kentucky.

ARTICLE XXXIII

MODIFICATION

The Parties may amend or modify any provision of this Agreement by mutual agreement in writing.

ARTICLE XXXIV

ENTIRE AGREEMENT

This Agreement and attached Schedules constitute the entire Agreement and all previous representation relative thereto, either written or oral, are hereby annulled and superseded. No modification shall be binding unless it shall be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

BLUE GRASS ENERGY COOPERATIVE CORPORATION

BY: *Michael D. Williams*

Title: *President & CEO*

FIRST PARTY

Commonwealth of Kentucky

By: *Loni Hudson Flanery*

Title: *Secretary, Finance Cabinet*

SECOND PARTY

BGE10/Agreement.Pole

APPROVED AS TO
FORM & LEGALITY
Patrick M. D...
APPROVED
FINANCE & ADMINISTRATION CABINET