

FRANCHISE AGREEMENT

NO. 1

A FRANCHISE AGREEMENT WHEREBY THE CITY OF ANNETTA, TEXAS AND THE TRI-COUNTY ELECTRIC COOPERATIVE, INC. AGREE THAT THE TRI-COUNTY ELECTRIC COOPERATIVE, INC. SHALL CONTINUE TO ERECT AND MAINTAIN ITS ELECTRIC LIGHT AND POWER LINES WITH ALL NECESSARY OR DESIRABLE APPURTENANCES (INCLUDING UNDERGROUND CONDUITS, POLES, TOWERS, WIRES, AND TRANSMISSION LINES) AND THE CITY GRANTS ITS CONSENT FOR THE USE OF ITS PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS, AND PUBLIC GROUNDS IN SAID CITY, UNDER REGULATIONS AND RESTRICTIONS AS STATED THEREIN AND THAT THE CITY OF ANNETTA SHALL RECEIVE AN ANNUAL PAYMENT FOR SAME, ALL AS THEREIN PROVIDED.

BE IT ORDERED BY THE BOARD OF ALDERMEN OF THE CITY OF ANNETTA, TEXAS

Section 1. That the City of Annetta, Texas, herein called "City," hereby grants its consent to the use of its present and future streets, alleys, highways and public grounds by Tri-County Electric Cooperative, Inc., its successors and assigns, herein called "Cooperative," for the purpose of constructing, maintaining and operating in the present and future streets, alleys, and public places of the City of Annetta, Texas, and its successors, electric light and power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires and transmission lines, and telegraph and telephone lines for its own use) for the purpose of supplying electricity to the said City, the inhabitants thereof and persons and corporations beyond the limits thereof, for light, heat, power and other purposes; said consent being granted for a term of fifty (50) years from the date this franchise agreement is adopted and approved.

Section 2. Poles and towers shall be so erected as not to unreasonably interfere with traffic over streets and alleys.

Section 3. Cooperative's property and operations in the City shall be subject to such regulations by the City as may be reasonably necessary for the protection of the general public.

Section 4. Cooperative shall hold the City harmless from all expense or liability for any act or neglect of the Cooperative hereunder.

Section 5. In consideration of the grant of said privilege and franchise by the City and as full payment for the privilege of using

and occupying the streets, alleys, highways, easements, parks and other public places within the City, and in lieu of any and all occupation taxes, easements, and franchise taxes (whether levied as an ad valorem, special or other character tax), and in lieu of license and inspection fees or charges, street taxes, street or alley rentals and of all other taxes, levies, fees and rentals of whatsoever kind and character which the City may impose or hereafter be authorized or empowered by law to levy or collect, excepting only the usual general or special ad valorem taxes which the City is authorized to levy or impose upon real or personal property, the Cooperative (Tri-County Electric Cooperative, Inc. and its assigns) shall pay to the City of Annetta, Texas; annually and on or before February 15 of each year during the term hereof, beginning January 1, 1981, an amount equivalent to three per cent (3%) of the gross revenues received by the Cooperative, its successors and assigns, during the preceding year from sales of electricity within the corporate limits of said City, exclusive of sales to federal, state and municipal customers and exclusive of sales to industrial and other customers excluded from taxation under the provisions of the regulations of the Treasury Department of the United States, Article 40, Regulation 42 as amended by TD4393, September 20, 1933, TD4570, July 24, 1935, and TD 4751, July 21, 1937, irrespective of whether or not said regulations and decisions have been or shall be repealed, amended or changed.

Section 6. Nothing herein contained shall ever be held or construed to confer upon the Cooperative exclusive rights or privileges of any nature whatsoever.

Section 7. This franchise agreement shall be cumulative and in addition to the other permits and franchises granted and agreements owned, held or claimed by the Cooperative provided however, that all agreements or parts of agreements that conflict herewith are hereby repealed,

Section 8. This franchise agreement shall become effective as of this date.

ADOPTED AND APPROVED this the 5th day of August,  
A.D., 1980.

R. E. (Chip) Key  
Mayor, City of Annetta, Texas

Betty Scott  
City Secretary

STATE OF TEXAS I

COUNTY OF Barker I

I, Betty Scott, Secretary of the City of Annetta, Texas hereby certify that the foregoing is a true and correct copy of Agreement No. 1, whereby the City of Annetta, Texas, and Tri-County Electric Cooperative, Inc. agree that the Tri-County Electric Cooperative, Inc. shall continue to erect and maintain its electric light and power lines with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires and transmission lines) and the City grants its consent for the use of its present and future streets, alleys, highways, and public grounds in said City, under regulations and restrictions as stated therein and that the City of Annetta, Texas, shall receive payment for same, all as therein provided

WITNESS MY HAND AND SEAL, this the 5th day of August, 1980.

Betty Scott  
Secretary of the City of Annetta, Texas

(Seal)