

APPENDIX A

NATURAL GAS COMPANY AND ACCOMPANYING RESOLUTION

ORDINANCE NO. 576

AN ORDINANCE, granting to the Paris-Henry County Public Utilities District of Henry County, Tennessee, (hereinafter designated as Grantee) its successors and assigns, the exclusive right and franchise to use and occupy the streets, avenues, roads, alleys, lanes, parks and other public places and ways of the City of Paris, Tennessee, for constructing, and maintaining, renewing, repairing, and/or operating a gas works and/or transmitting, distributing and/or selling of manufactured or natural gas or commingled gas within and/or through the City of Paris, Tennessee; and prescribing the terms and conditions thereof, and specifying that the properties of the grantee shall become the property of the City of Paris upon the terms and conditions provided.

BE IT ORDAINED BY THE CITY OF PARIS, TENNESSEE, AS FOLLOWS:

SECTION I. The exclusive right and franchise is hereby granted to the Grantee, its successors and assigns, to lay, construct, extend, maintain, renew, replace and/or repair, gas pipes and gas mains, under, along and/or across any streets, avenues, roads, alleys, lanes, parks and other public places and ways within the existing territorial limits of the City of Paris, Tennessee, (hereinafter called "City"), and within such additional areas to which such territorial limits may be extended and to use and occupy the said streets, avenues, roads, alleys, lanes, parks, and other public places and ways for the purpose of therein laying or constructing, extending, maintaining, renewing, replacing, and /or repairing mains and pipes and all appurtenances and appendages thereto used and/or useful, for the manufacture, transmission, distribution, and/or sale of gas within and/or through the present or future territorial limits of the City, such right to continue until June 1, 1985.

SECTION II. All rights herein granted and/or authorized shall be subject to and governed only by this Ordinance; provided, however, the Board of Commission s of the City expressly reserves unto themselves all of their police powers to adopt general ordinances necessary to protect the safety and welfare of the general public in relation to the rights herein granted not inconsistent with the provisions of this Ordinance.

SECTION III. The Grantee, upon making an opening upon any of the streets, alleys or public ways of the City, for the purpose of laying pipes, and/or maintaining gas mains, shall use due care and caution to prevent injury to persons and shall replace and restore all public ways to their former condition as nearly as practicable and within a reasonable time, and shall not unnecessarily obstruct or impede traffic on streets, alleys and public ways of said City.

SECTION IV. Said Grantee shall save and keep harmless the said City from any and all liability by reason of damage or injury to any person or persons whatsoever on account of negligence of the Grantee in the installation and maintenance of its mains and pipe lines along said streets, alleys and public ways, provided, the Grantee shall have been notified in writing of any claim against the City on account thereof, and shall have been given ample opportunity to defend the same.

SECTION V. None of the rights and privileges herein granted and conveyed shall pass to the said Grantee unless the Grantee shall file with the Recorder of the City with its acceptance of the franchise, and agreement by the Grantee to covey and assign all its properties and assets to the City of Paris upon the City making full payment and satisfaction of all indebtedness of the Grantee. The full payment and satisfaction of indebtedness above referred to shall not be deemed to have occurred until after the Grantee shall have initially issued indebtedness secured by a lien upon all or substantially all of its properties and assets, or by pledge of said lien upon the revenues to or derived therefrom, and it does not mean such a full payment as may temporarily occur merely in connection with the refunding or refinancing program of the Grantee. This agreement shall be the consideration for all the rights and

privileges granted and provided by this ordinance and shall be in lieu of any and all other fees, charges and licenses which the City might impose for the rights and privileges herein granted.

SECTION VI. None of the rights and privileges herein granted and conveyed shall pass to the said Grantee unless said Grantee, within two years after the date when the Federal Power Commission shall authorize an allocation of natural gas to the Grantee sufficient to serve the presently contemplated needs of the City, shall begin work of laying its pipes to convey gas to the residents of the City and begins construction of its distribution system within said City, and exercises due diligence in the completion thereof.

SECTION VII. This Ordinance shall be in full force and effect, from and after its passage according to law, and upon receipt by the City of a general release from the Paris Cooperative Gas Association, Incorporated to which corporation the City heretofore granted a franchise to operate a gas system in said City; and the acceptance of the franchise herein granted by the Grantee, such acceptance to be in writing and filed with the Recorder of the City, and the execution of the agreement required by Section V of this Ordinance.

Passed and adopted October 7, 1983.

s/Mark L. Johnson
Recorder

APPROVED: William E. Culley
Mayor

STATE OF TENNESSEE
COUNTY OF HENRY

Billy E. Owens, who after being duly sworn according to law, deposes and says: that I am the president of the Board of Commissioners of the Paris-Henry County Public Utility District of Henry County, Tennessee; that this Board of Commissioners met in a duly called meeting on November 18, 1982, and as a part of its regular business, duly considered Ordinance No. 576 concerning a franchise agreement between the City of Paris and the Paris-Henry County Public Utility District of Henry County, Tennessee, which, upon proper motion, duly made, was unanimously approved as hereinbefore set forth.

PARIS-HENRY COUNTY PUBLIC UTILITY DISTRICT
BY: Billy E. Owens
Billy E. Owens, President

Sworn and subscribed before me,
this 23 day of November, 1982.

Margaret B. Jackson
Notary

My Commission Expires: 3/23/83

RESOLUTION #1079

WHEREAS, the Board of Commissioners of the City of Paris, Tennessee, adopted and passed on third reading, a franchise granting the privilege to the Paris-Henry County Public Utility District of Henry County, Tennessee, to lay gas pipes in the streets and prescribing the terms thereof and agrees to convey and assign its properties and assets to the City under the terms of Section V of the franchise ordinance by Ordinance No. 576, on October 7, 1986, and

WHEREAS, the Paris-Henry County Public Utility District of Henry County, Tennessee has accepted this franchise by action of its Board of Directors on November 18, 1982, and

WHEREAS, the Board of Commissioners of the City of Paris, Tennessee, by this resolution, ratifies the acceptance of the franchise by the Paris-Henry County Public Utility District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the City of Paris, Tennessee, that the City of Paris ratifies the acceptance of the franchise which was adopted and passed on third reading by the Board of Commissioners on October 7, 1982, and was accepted by the Paris-Henry County Public Utility District of Henry County, Tennessee, on November 18, 1982, granting the privilege to lay gas pipes in the streets and prescribing the terms thereof, and agrees to convey and assigns its properties and assets to the City under the terms of Section V of the franchise ordinance.

s/William E. Culley
Mayor

s/Mark L. Johnson
Recorder