

SECOND FRANCHISE RENEWAL AGREEMENT

THIS SECOND FRANCHISE RENEWAL AGREEMENT ("Renewal Agreement") made as of March 24, 2023, between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky created pursuant to KRS Chapter 67A ("LFUCG"), and **KENTUCKY UTILITIES COMPANY, INC.**, a Kentucky corporation, with its principal office located at 1 Quality Street, Lexington, Kentucky 40507 ("Franchisee"), (collectively, "the Parties").

RECITALS

WHEREAS, Pursuant to Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, LFUCG created a franchise for the privilege of constructing, erecting, operating, and maintaining an electric generation, transmission and distribution system in Fayette County, Kentucky; and

WHEREAS, By Resolution No. 153-2013, Franchisee was awarded a non-exclusive franchise, and the Parties entered into a five- (5-) year franchise agreement with the option to renew for up to two (2) additional terms of five (5) years each (Contract #94-2013); and

WHEREAS, By Resolution No. 157-2018, and pursuant to the provisions of Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, Contract #94-2013 was renewed for an additional term of five (5) years beyond its expiration date; and

WHEREAS, Contract #94-2013 is now set to expire on April 11, 2023, and the Parties mutually desire to renew the terms and conditions of the franchise agreement for a second and final additional term of five (5) years beyond its current expiration date; and

WHEREAS, the Parties have agreed to enter this Second Renewal Agreement to set forth the terms and conditions of the franchise agreement during the final term of the franchise.

STATEMENT OF AGREEMENT

1. **Incorporation of Recitals.** The Recitals to this Second Renewal Agreement are hereby incorporated by reference as if fully set forth herein.
2. **Second Renewal Term.** The term of this Second Renewal Agreement shall become effective upon the expiration date of the current franchise agreement and continue through April 11, 2028 (the "Second Renewal Term"), unless terminated sooner as provided in Contract #94-2013. There are no remaining options to renew the franchise agreement after the Second Renewal Term expires; however, this Second Renewal Agreement may be extended up to twelve (12) months by mutual written agreement of the Parties to pursue good faith negotiation of a new franchise.
3. **Renewal.** Notwithstanding the "Post-Renewal Audit" provision set forth in Section 4 below, all provisions of Contract #94-2013, including all exhibits and documents

incorporated therein by reference, shall remain in full force and effect for the duration of the Second Renewal Term, and are fully incorporated herein and made part of this Second Renewal Agreement.

4. **Reimbursement of Post-Renewal Audit Expenses.** Pursuant to Ordinance No. 35-2013, as amended by Ordinance No. 102-2013, the Parties have agreed to the performance of an audit in connection with the second renewal of the franchise subject to this Second Renewal Agreement. The Parties are engaged in good faith renewal discussions and acknowledge that the audit will not be completed until after the Second Renewal Term begins (the "Post-Renewal Audit"). Upon written request from LFUCG, Franchisee hereby agrees to reimburse LFUCG for all reasonable and documented costs incurred by LFUCG in connection with the Post-Renewal Audit.

EXECUTED AND AGREED TO by Lexington Fayette Urban County Government and Kentucky Utilities Company, Inc. on this 24 day of March, 2023.

LFUCG:

Lexington-Fayette Urban County

By: Linda Gorton
Linda Gorton, Mayor

Attest:

Mackenzie Stock
URBAN COUNTY COUNCIL CLERK
Deputy

FRANCHISEE:

Kentucky Utilities Company, Inc.

By: Eileen Saunders VP-Customer Services
[Name, Title]

STATE OF KENTUCKY

COUNTY OF JEFFERSON

The forgoing Agreement was subscribed, sworn to and acknowledged before me by EILEEN SAUNDERS, as the duly authorized representative for and on behalf of KU COMPANY, INC. on this the 2nd day of MARCH, 2023.

My commission expires: JUNE 25, 2025
William G. Vincent KYNP32193
NOTARY PUBLIC