

AN ORDINANCE of the Town of Mount Carmel, Tennessee, granting to Kingsport Utilities, Incorporated, a corporation, the exclusive right, privilege and franchise for the term of THIRTY (30) years to lay, construct, erect, install, operate, maintain, use, repair or replace in, upon, along, across, under or over the streets of the Town or remove from the streets of the Town, the facilities or equipment of said Grantee (1) for the purpose of conducting, transmitting, supplying, distributing and selling electric power or current to the Town and its inhabitants (exclusive of that area within said Town as now constituted and the inhabitants in said area presently being served by the Holston Electric Cooperative, Inc.), for heat, power, light and any and all other purposes for which electric power or current may be used, and (2) for the purpose of conducting, conveying and transmitting electric power or current through the Town for use outside the boundaries of the Town, for heat, power, light and for any and all other purposes for which electric power or current may be used.

BE IT ORDAINED BY THE TOWN OF MOUNT CARMEL AS FOLLOWS:

SECTION 1. Whenever in this ordinance the words or phrases hereinafter in this section defined are used, they shall have the respective meanings assigned to them in the following definitions (unless, in the given instance, the context wherein they are used shall clearly import a different meaning):

(a) The word "Grantee" shall mean Kingsport Utilities, Incorporated, the corporation to which the franchise is granted by this ordinance, and its lawful successors or assigns.

(b) The word "Town" shall mean the Town of Mount Carmel, a municipal corporation of the State of Tennessee, in its present incorporated form, or in any later reorganized, consolidated or reincorporated form, exclusive of that area within said municipal limits as now constituted and presently being served by the Holston Electric Cooperative, Inc.

(c) The word "streets" shall mean the public streets, lanes, alleys, courts, parkways, or other public places in the Town as they now exist or as they may be opened, established or acquired in the Town at any time during the term of this franchise.

(d) The phrase "facilities or equipment" shall mean transformers, poles, towers, wires, cables, conduits, attachments, connections, structures, vaults, machinery, appliances, appurtenances, and any other personal property located or to be located in, upon, along, across, under or over the streets used or deemed by the Grantee to be useful for the purpose of carrying, conducting, transmitting and distributing electric power or current.

SECTION 2. That the exclusive right, privilege, franchise, authority and easement, subject to each and all of the terms and conditions contained in this ordinance, be and the same are hereby granted to Kingsport Utilities, Incorporated, a corporation organized and existing under and by virtue of the laws of the Commonwealth of Virginia, and duly domesticated and authorized to do business in the State of Tennessee, herein referred to as the Grantee, for the term of THIRTY (30) years from and after the effective date hereof, to lay, construct, erect, install, operate, maintain, use, repair or replace in, upon, along, across, under or over the streets of the Town or remove from the streets of the Town its facilities or equipment:

(a) for the purpose of conducting, conveying, transmitting, supplying, distributing and selling electric power or current to the Town and its inhabitants (exclusive of that area within said Town as now constituted and the inhabitants in said

area presently being served by the Holston Electric Cooperative, Inc.), for heat, power, light and any and all other purposes for which electric power or current is now or may hereafter be used, and

(b) for the purpose of conducting, conveying and transmitting electric power or current through the Town for use outside of the boundaries of the Town for heat, power, light and any and all other purposes for which electric power or current is now or may hereafter be used.

All of the rights, privileges, franchises and easements herein granted to the Grantee are hereby expressly made exclusive for said period of THIRTY (30) years against any other person, firm, association, corporation or utility district and against the Town itself, exclusive of that area within said Town as now constituted and presently being served by the Holston Electric Cooperative, Inc.

SECTION 3. All work undertaken or performed, all service rendered, and all facilities or equipment operated, maintained or used pursuant to the provisions of this franchise shall be of the standard required by the laws of the State of Tennessee, by the orders of the Tennessee Public Service Commission or any other body or governmental authority having jurisdiction in the premises, and in accordance with engineering practices generally accepted and employed in the electric industry in the transportation and distribution of electric power or current.

SECTION 4. The placing, laying down, construction,

erection, extension, operation and maintenance by the Grantee of its facilities or equipment in, upon, along, across, under or over the streets of the Town shall be done without unreasonable or unnecessary obstruction of said streets and in such manner as to produce the least practicable inconvenience to the said Town and its inhabitants. In placing, laying down, constructing, erecting, extending, operating, maintaining and repairing any of its said facilities or equipment, the Grantee shall take reasonable precaution against injury to the mains, cables, pipes, wires, conduits or any other property, facilities or equipment of any other corporation, person, firm or association engaged in conducting or transmitting gas, water or any other public utility or in rendering any public service.

SECTION 5. All pavement, macadam, sidewalks, streets or places or grounds of the Town taken up or in any way used or dealt with by the Grantee shall be repaired with the least practicable delay, with like material and left in as good condition in every respect as before the work was begun.

SECTION 6. In constructing, repairing and operating its works, the Grantee shall use reasonable precaution to avoid damage or injury to person or property; and shall protect and save harmless the Town against all damage which may result to the Town on account of the negligence of the Grantee.

SECTION 7. The Grantee shall have the right to trim trees and bushes whenever necessary, said trees and bushes to be trimmed in such manner that none of the branches of same will come in contact with the distribution or transmission lines, wires or

cables of the Grantee; provided, however, that the Grantee shall not trim any tree or bush to a greater extent than necessary.

SECTION 8. No person, firm, association or corporation shall be permitted to make any connection with any of the facilities or equipment of the Grantee, or in any manner to use the poles or any other property of the Grantee, unless authorized in writing by it so to do.

SECTION 9. In consideration of the benefits which in the judgment of the Town will accrue to it by reason of the construction and operation of said electric light, heat and power system and as an inducement to the Grantee to construct, maintain and operate said system, the Town shall not impose any rental, license fee, charge or tax upon the Grantee for the rights hereby granted or the exercise thereof during the life of this franchise. However, the Town expressly reserves the right to levy such ad valorem taxes upon the tangible properties of the Grantee located in said Town as it uniformly levies upon all other tangible properties located therein.

SECTION 10. If, subsequent to the taking effect of this franchise and during the term thereof, the Town shall acquire additional territory by annexation, consolidation or otherwise, all duties, rights and privileges of the Grantee hereunder shall automatically extend to such additional territory.

SECTION 11. All electric power or current transmitted, distributed, supplied and sold by the Grantee under this ordinance shall be furnished and paid for in accordance with and subject to all of the provisions of the applicable tariffs, rates and

schedules of charges and rules and regulations fixed and approved by the Tennessee Public Service Commission, and such change or changes as may be made in said tariffs, terms and conditions of service from time to time.

SECTION 12. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed.

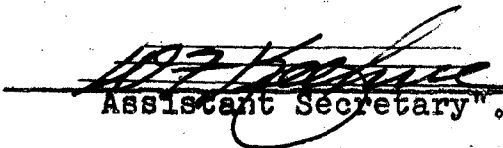
SECTION 13. This franchise shall become effective and all its terms, provisions and conditions binding upon both the Town and Grantee fifteen (15) days after its final passage, provided the Grantee shall within said fifteen (15) days endorse on the original ordinance its acceptance of this franchise in the words and figures following:

"Kingsport Utilities, Incorporated, hereby
accepts this franchise this the ____ day
of _____, 1962.

KINGSPORT UTILITIES, INCORPORATED

By _____
Vice-President

Attest:


Assistant Secretary".

W. J. Marshall
Mayor

Attest:

Henry Hurd
Recorder

Passed on 1st reading June 7, 1962

Passed on 2nd reading July 5, 1962

Passed on 3rd reading AUGUST 9, 1962

Kingsport Utilities, Incorporated, hereby accepts
this franchise this the 14TH day of AUGUST, 1962.

KINGSPORT UTILITIES, INCORPORATED

By [Signature]
Vice-President

Attest:

[Signature]
Assistant Secretary