Donald Kaczkowski Texas Bar No. 24053004 McDONALD SANDERS, P.C. dak@mcdonaldlaw.com 777 Main Street, Suite 2700 Fort Worth, Texas 76102 Telephone: (817) 336-8651 Facsimile: (817) 334-0271

ATTORNEYS FOR UNITED ELECTRIC COOPERATIVE SERVICES, INC.

# UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

†
Chapter 11
Case No. 19-22312 (RDD)
(Jointly Administered)

# UNITED ELECTRIC COOPERATIVE SERVICES, INC.'S OBJECTION TO DEBTORS' PLAN AND RESERVATION OF RIGHTS REGARDING CURE AMOUNTS

United Electric Cooperative Services, Inc., a/k/a United Cooperative Services ("United"), a Texas electric cooperative, files this objection to the Plan, including the Plan Supplement, filed by Windstream Holdings, Inc., et al. ("Debtors") and reservation of rights regarding cure amounts (the "Objection")<sup>1</sup>, and respectfully states as follows:

#### **Background**

- 1. On February 25, 2019 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code commencing these jointly administered cases.
- 2. On May 14, 2020, the Debtors filed their First Amended Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc., et al. Pursuant to Chapter 11 of the

<sup>&</sup>lt;sup>1</sup> This Objection is timely filed under the parties' agreement of June 16, 2020 extending United's objection deadline to June 19, 2020 at 5:00 p.m. ET.



Bankruptcy Code [Doc. No. 1812] (the "Plan").

- 3. On June 3, 2020, the Debtors filed their initial Plan Supplement Notice [Doc. No. 1973] ("Plan Supplement"), which listed executory contracts and unexpired leases that would be assumed with the proposed cure amounts ("Assumption and Cure List").
- 4. The Debtors listed no contracts with United on the Assumption and Cure List.
- 5. On June 10, 2020, the Debtors filed their First Amended Plan Supplement [Doc. No. 2010] ("Amended Plan Supplement"), which listed contracts and leases that would be rejected ("Rejected Contracts List").
  - 6. The Debtors listed no contracts with United on the Rejected Contracts List.
- 7. The Plan Supplement and Amended Plan Supplement notices provide that "the documents contained in the Plan Supplement are integral to, and are considered part of, the Plan" and that "[i]f the Plan is approved, the documents contained in the Plan Supplement will be approved by the Court pursuant to the Confirmation Order."
- 8. Article V.A. of the Plan provides, in part, that "[o]n the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases not otherwise assumed or rejected will be deemed assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code . . . . "
- 9. The deadline for filing objections to the Plan, including the Plan Supplement, was originally set to be June 17, 2020, but the undersigned counsel for United reached an agreement with counsel for the Debtors on June 16, 2020, to extend United's objection deadline until June 19, 2020 at 5:00 p.m. ET. This Objection, therefore, is timely filed

pursuant to the parties' agreement.

# <u>United's Pole Contracts with the Debtors</u>

- 10. United is a party to two pole attachment contracts with the Debtors (collectively, the "United Pole Contracts"):
  - a. Agreement for Joint Use of Electric Distribution Systems Poles for Designated Attachments with Texas Windstream, Inc., n/k/a Texas Windstream, LLC, dated to be effective as of January 1, 2009, a copy of which is attached hereto as <u>Exhibit 1</u> and incorporated by reference; and
  - b. Agreement for Joint Use of Electric Distribution Systems Poles for Designated Attachments with Valor Telecommunications of Texas, LP, n/k/a Valor Telecommunications of Texas, LLC (also d/b/a Windstream Communications Southwest), dated to be effective as of January 1, 2009, a copy of which is attached hereto as <u>Exhibit 2</u> and incorporated by reference.
- 11. United has continued to provide the Debtors with services under the terms of the United Pole Contracts since the Petition Date.

# **Cure Amounts Owing Under the United Pole Contracts**

- 12. Under the terms of the United Pole Contracts, the Debtors are required to pay annual pole rental with respect to each pole on or before December 31 of each calendar year. The history of dealings between United and the Debtors reflects that United uses a single account to invoice the annual pole rental under the United Pole Contracts, Account No. ending 389-001, to Windstream Communications in Little Rock, Arkansas in December of each year. Each annual invoice is for pole rentals for the time period from January 1 through December 31 for the year in which the invoice is issued.
- 13. Prior to the Petition Date, the Debtors had not paid United for the 2018 annual pole rental amounts, which were fully due and payable to United on December 31, 2018. As a result, the Debtors owe United the sum of \$89,939.20 for the billed prepetition

charges under the United Pole Contracts (the "2018 Pole Rental Amount"), plus late fees and accrued interest through February 24, 2019 totaling **\$2,689.45**, as permitted by sections IX(e)-(f) of the United Pole Contracts.<sup>2</sup> A copy of the invoice for the 2018 Pole Rental Amount is attached to this Objection as Exhibit 3 and incorporated by reference.

- 14. Following the Petition Date, the Debtors have continued to utilize United's services under the United Pole Contracts without payment of prepetition or post-petition amounts due. The Debtors owe United the sum of \$98,179.95 for the outstanding charges under the United Pole Contracts for 2019 annual pole rental (the "2019 Pole Rental Amount"), plus late fees, accrued post-petition interest, and attorney's fees incurred by United as allowed under the terms of the United Pole Contracts. A copy of the invoice for the 2019 Pole Rental Amount is attached to this Objection as Exhibit 4 and incorporated by reference.
- 15. Further, the Debtors owe United the sum of \$31,121.45 for prorated joint use audit fees incurred for the 2019 audit (the "2019 Audit Amount"), as allowed under the terms of the United Pole Contracts. A copy of the invoice for the 2019 Audit Amount and related items are attached to this Objection as <a href="Exhibit 5">Exhibit 5</a> and incorporated by reference.
- 16. In addition to the above cure amounts, claims are currently accruing and the Debtors are continuing to incur charges under the United Pole Contracts, including

<sup>&</sup>lt;sup>2</sup> United timely filed its identical four (4) Proofs of Claim (for the reasons stated therein and without seeking multiple recoveries) related to the United Pole Contracts on May 29, 2019 in the amount of \$182,567.85 consisting of the 2018 Pole Rental Amount, plus a late fee and accrued interest thru 2/24/19, and estimated annual pole rental for 2019 owed but not yet due then, without prorated joint use audit fees to be calculated after the 2019 audit and which would also adjust the future invoice for 2019 pole rental charges. [See Claim Nos. 1676, Case No. 19-22460, Valor Telecommunications of Texas, LLC; 1677, Case No. 19-22316, Texas Windstream, LLC; 1678, Case No. 19-22400, Windstream Services, LLC; 1687, Case No. 19-22433, Windstream Communications, LLC.]

post-petition interest. While an estimate invoice for 2020 annual pole rental was recently provided to the Debtors, United does not bill its 2020 annual pole rental until December 2020, and the estimated invoice amount is subject to change. United hereby reserves its rights to assert the 2020 pole rental amounts as an additional cure amount. The Debtors should also be required to pay all other obligations under the United Pole Contracts, including post-petition interest, expenses and attorney's fees incurred by United, as a condition to assumption.

## **Objection and Reservation of Rights**

- 17. Because the United Pole Contracts are neither listed on the Assumption and Cure List nor the Rejected Contracts List, the United Pole Contracts will be deemed assumed on the Effective Date pursuant to the terms of the Plan. See the Plan, Article V.A.
- 18. Section 365(b)(1) of the Bankruptcy Code provides that a debtor may not assume an executory contract unless and until (1) the debtor cures all existing defaults (or provides assurance that the defaults will be cured promptly) under the contract at the time of assumption, and (2) the debtor provides adequate assurance of future performance under the contract. See also In re Ionosphere Clubs, Inc., 85 F.3d 992, 999 (2d Cir. 2002) (stating that under Section 365(b) a debtor must cure defaults at the time of assumption to be allowed to assume an executory contract).
- 19. Additionally, bankruptcy case law makes clear that a contract cannot be partially assumed or rejected, and that Section 365 of the Bankruptcy Code requires a debtor to either assume or reject the contract in full, which includes the contract's benefits and burdens. See, e.g., AGV Productions, Inc. v. Metro-Goldwyn-Mayer, Inc., 115 F.

Supp. 2d 378, 391 (S.D.N.Y. 2000), aff'd, 37 Fed. Appx. 555 (2d Cir. 2002) (stating that bankruptcy law does not permit an executory contract to be assumed in part or rejected in part).

- 20. United does not oppose the assumption of the United Pole Contracts pursuant to the Plan, provided that the Debtors are not seeking to assume only parts of the United Pole Contracts and that assumption is conditioned upon the Debtors curing all prepetition and post-petition amounts due and accruing under the United Pole Contracts at the time of assumption (with adequate assurance of future performance). United asserts an objection to, and reserves its rights with respect to, the Debtors' failure to list any proposed cure amounts to satisfy the defaults under the United Pole Contracts. If Debtors wish to assume the United Pole Contracts, the Debtors must cure all default amounts, accept the burdens of the United Pole Contracts, and provide United with adequate assurance of future performance under the United Pole Contracts, for example, a non-refundable deposit to be applied to future invoices.
- 21. United is working with the Debtors to attempt to resolve its objection before the confirmation hearing. Nonetheless, as things stand and with Debtors failing to list the United Pole Contracts under either the Assumption and Cure List or the Rejected Contracts List, United hereby objects to the Plan, including the Plan Supplement, to preserve its rights to receive payment of the necessary and appropriate cure amounts pursuant to Section 365(b) of the Bankruptcy Code.
- 22. Unless the Debtors pay United the full cure amounts set forth above, plus all additional post-petition charges and expenses incurred under the United Pole Contracts, the Bankruptcy Code prohibits the Debtors from assuming their contracts with

19-22312-rdd Doc 2153 Filed 06/18/20 Entered 06/18/20 19:41:01 Main Document Pq 7 of 9

United.

23. United reserves the right to amend this Objection or to submit further

objections to any other relief sought by the Debtors with respect to the assumption of the

United Pole Contracts.

WHEREFORE, United Electric Cooperative Services, Inc. respectfully requests

that the Court condition the assumption of the United Pole Contracts on the full payment

of all unpaid prepetition and post-petition amounts accrued thereunder, including the cure

amounts set forth above, adequate assurance of future performance, and grant United

such other and further relief as is just and proper.

Dated: June 18, 2020

Respectfully submitted,

McDONALD SANDERS, P.C.

By: /s/ Donald Kaczkowski

Donald Kaczkowski (pro hac vice) Texas Bar No. 24053004

dak@mcdonaldlaw.com

777 Main Street, Suite 2700

Fort Worth, Texas 76102

(817) 336-8651

(817) 334-0271 (Facsimile)

**ATTORNEYS** UNITED **ELECTRIC** FOR

COOPERATIVE SERVICES, INC.

7

# **CERTIFICATE OF SERVICE**

I hereby certify that on June 18, 2020, the foregoing Objection was filed electronically with the Clerk of the Court and served through the Court's CM/ECF system to all parties receiving service through the Court's ECF system and on the parties listed below by e-mail and/or federal express:

Paul K. Schwartzberg
Office of the United States Trustee
U.S. Federal Office Building
201 Varick Street, Suite 1006
New York, NY 10014
paul.schwartzberg@usdoj.gov

Stephen Hessler, P.C. Marc Kieselstein, P.C. Kirkland & Ellis, LLP 601 Lexington Avenue New York, New York 10022 shessler@kirkland.com mkieselstein@kirkland.com

Ross M. Kwasteniet, P.C. Brad Weiland John R. Luze Kirkland & Ellis, LLP 300 North LaSalle Street Chicago, IL 60654 ross.kwasteniet@kirkland.com brad.weiland@kirkland.com john.luze@kirkland.com

Kristi M. Moody Windstream Holdings, Inc. 4001 North Rodney Parham Road Little Rock, Arkansas 72212 kristi.moody@windstream.com Lorenzo Marinuzzi
Todd M. Goren
Jennifer L. Marines
Erica J. Richards
Morrison & Foerster LLP
250 West 55th Street
New York, New York 10019
Imarinuzzi@mofo.com
tgoren@mofo.com
jmarines@mofo.com
erichards@mofo.com

/s/ Donald Kaczkowski

Donald Kaczkowski

# **EXHIBIT 1 Pole Contract – Texas Windstream**

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

# AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

# **TABLE OF CONTENTS**

ARTICLE I	SPECIFICATIONS	2
ARTICLE II	ESTABLISHING JOINT USE OF POLES	3
ARTICLE III	EASEMENTS AND RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS	e
ARTICLE IV	MAINTENANCE OF POLES, ATTACHMENTS AND RIGHTS-OF-WAY	7
ARTICLE V	INSURANCE	10
ARTICLE VI	INDEMNIFICATION	14
ARTICLE VII	RECOVERY OF SPACE BY UNITED	18
ARTICLE VIII	ABANDONMENT OF JOINTLY-USED POLES	20
ARTICLE IX	RENTALS	21
ARTICLE X	DEFAULTS AND REMEDIES	23
ARTICLE XI	RIGHTS OF OTHER PARTIES	29
ARTICLE XII	ASSIGNMENT OF RIGHTS	30
ARTICLE XIII	WAIVER OF TERMS OR CONDITIONS	30
ARTICLE XIV	SUPPLEMENTAL AGREEMENTS	31
ARTICLE XV	PAYMENT OF TAXES	31
ARTICLE XVI	SERVICE OF NOTICES	31
ARTICLE XVII	TERM OF AGREEMENT	33
ARTICLE XVIII	SURVIVAL OF INDEMNITIES	34
ARTICLE XIX	EXISTING CONTRACTS	34

# 19-22312-rdd Doc 2153-1 Filed 06/18/20 Entered 06/18/20 19:41:01 Exhibit Pg 4 of 48

ARTICLE XX	LETTER OF CREDIT	. 35
ARTICLE XXI	UNAUTHORIZED ATTACHMENTS	. 36
ARTICLE XXII	MISCELLANEOUS	. 38

Appendix A:

Request Form

Appendix B:

**Abandonment Notice Form** 

Attachment No. 1: Rules and Practices for Attachments Applicable to Licensees

# AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

THIS AGREEMENT made this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 20\_\_\_, by and between UNITED ELECTRIC COOPERATIVE SERVICES, INC., (hereinafter called "United"), a non-profit electric cooperative corporation organized under the laws of the State of Texas, and Texas Windstream, Inc. a Texas corporation organized under the laws of the State of Texas (hereinafter called the "Licensee.")

WHEREAS, Licensee proposes to furnish telecommunications service to residents in Bosque, Erath, Johnson, Hood and Hill Counties, Texas, and will need to erect and maintain facilities (hereinafter called "Licensee's Facilities") throughout the area to be served, and desires to attach Licensee's Facilities to poles of United; and

WHEREAS, United is willing to permit in certain instances, to the extent it may lawfully do so and subject to the terms and conditions hereinafter stated, the attachment of Licensee's Facilities to its poles where such use will not interfere with United's own service requirements or with the rights or privileges of any other parties also using United's poles.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties hereto do hereby mutually covenant and agree as follows:

#### ARTICLE I

#### **SPECIFICATIONS**

- (a) Licensee shall at all times comply with the following ("Specifications"): Licensee's use of the poles covered by this Agreement and Licensee's Facilities shall at all times conform to the requirements of the current National Electrical Safety Code, Texas Vernon's Annotated Civil Statutes, Vernon's Texas Codes Annotated, and all revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.
- (b) Additionally, Licensee's use of the poles covered by this Agreement and Licensee's Facilities shall, at all times, conform to the Rules and Practices as set forth in Attachment "1," as same may be amended from time to time by United as provided in this Agreement ("Rules and Practices").

It is understood and agreed between the parties that the Rules and Practices may be changed by United, or new Rules and Practices may be adopted by United, without resort to provisions of Article XIV, relating to, supplementing or amending this Agreement, and Licensee agrees to be bound by any such change or adoption. In the event that United should change or adopt a rule or practice or rules and practices, for the use of poles by Licensee, United shall give Licensee written notice of such change or adoption in the manner contemplated by Article XVI. Licensee agrees to make such changes or alterations in its installations or maintenance of its facilities as may be required in order to fully comply with the provisions of such notice and to complete such changes or alterations

within thirty (30) days (unless a contrary time frame is specified by United in such notice) after notice has been received.

(c) Licensee shall not subject poles covered by this Agreement to transverse and/or vertical loads in excess of those imposed upon such poles under the Heavy Loading Standards of the National Electrical Safety Code, as amended, assumed for the area in which such poles are loaded.

#### ARTICLE II

## ESTABLISHING JOINT USE OF POLES

- (a) Before the Licensee shall make use of any of the poles of United under this Agreement, Licensee shall request permission therefor from United in writing on the form entitled "Request Form to Agreement for Joint Use of Electric Distribution System Poles For Designated Attachments" attached hereto and identified as Appendix "A", (the "Request"), (ii) submit to United a non-refundable fee of \$100.00 per Request (the "Request Procedures Fee")-. Requests not submitted on the form attached as Appendix "A" and accompanied by the Request Procedures Fee will not be considered by United. Licensee shall comply with the procedure set forth in the Request and in this Article II. Licensee's license to use certain of the poles of United is expressly conditioned as stated in this Agreement.
- (b) If, in the judgment of United, joint use under the circumstances is undesirable to United, United shall have the right to reject the Licensee's Request. <u>If within thirty (30)</u> days after the receipt of such Request from Licensee United has not notified the Licensee

in writing as to whether the Licensee's Request is granted or denied, the Request shall be deemed denied.

(c) In conjunction with or prior to requesting United's approval, Licensee shall furnish United detailed construction plans and drawings for Licensee's Facilities which the Licensee intends to construct on United's poles, together with necessary maps indicating specifically the poles of United to be used jointly, the number and character (including weight per foot, stringing sag and tension information, etc.) of the attachments to be placed on such poles. The Licensee shall also, in conjunction with or prior to requesting United's approval, request any rearrangement of United's fixtures and equipment necessary for joint use, any relocation or replacements of existing poles, and any additional poles that may be required (hereinafter "Required Changes"). All Required Changes must be itemized and submitted in conjunction with the Request. All Required Changes shall be at the expense of the Licensee. United may, on the basis of such detailed construction plans and drawings, and at United's discretion, submit to the Licensee within thirty (30) days a cost estimate for all Required Changes, including an estimated completion date for such Required Changes. Upon United's granting of a Request and United's receipt from Licensee of payment per United's cost estimate for the Required Changes, United shall proceed with the Required Changes covered by the cost estimate, and shall proceed to the completion thereof within United's time estimate. Should the Licensee fail to pay to United the amount of the cost estimate for the Required Changes, within forty-five (45) days from receipt thereof, the Licensee's Request and United's granting of the subject Request shall be deemed withdrawn and United shall have no obligations with respect to the subject Required Changes or the related Request. Nothing in the foregoing shall preclude the parties hereto from making any mutually agreeable arrangement for contracting for or otherwise accomplishing the Required Changes, if consented to by United in writing. Upon completion of all Required Changes, the Licensee shall have the right hereunder to jointly use the poles and to make attachments in accordance with the terms of the Licensee's Request and of this Agreement. The Licensee shall, at its own expense, make attachments in such manner as not to interfere with the operations or service of United, and place guys and anchors to sustain any unbalanced loads caused by its attachments.

- (d) Upon completion of all Required Changes, the parties hereto shall reconcile the actual costs of making the Required Changes, and the Licensee shall make any required additional payment, upon receipt of an invoice from United or, if applicable, United shall refund any overpayment.
- (e) Each party shall assume full responsibility for the initial clearing of rights-of-way for their own requirements. Thereafter, at regular intervals (typically between 5 and 7 years), United, at its expense, shall perform reclearing of existing rights-of-way and tree trimming it considers necessary for its own purposes. If additional trimming is required on account of Licensee's facilities at any time, then Licencee shall bear the cost of such trimming. The Licensee shall notify United in writing of any such reclearing or trimming it considers necessary.
- (f) All poles jointly used under this Agreement shall remain the property of United, and any payments made by the Licensee under this Agreement shall not entitle the Licensee to any ownership interest in any of said poles, or other of United's Facilities.

- (g) United reserves the right, in its sole discretion, to at any time exclude any of its facilities (including poles) from joint use.
- (h) Neither Licensee nor any employees or subcontractors of Licensee shall be permitted by Licensee to work on or adjacent to the poles of United unless they have in their possession at the worksite a copy of the written approval by United of the Request that authorizes the attachments to which such work relates. Licensee, its employees, and its subcontractors shall, upon the request of United, cease work on or in the proximity of the poles of United until such time as the proper authorization for such work per this Agreement can be verified by United.

#### ARTICLE III

#### EASEMENTS AND RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS

United does not warrant or assure the Licensee any rights-of -way or easements, or the right to use the easements upon which United's poles to be jointly used are placed, and if the Licensee shall at any time be prevented from placing or maintaining its attachments on United's poles by any third party, no liability on the account thereof shall attach to United. Licensee warrants that it shall obtain rights-of-way and easements sufficient for its uses, and assumes all risks and liabilities with respect to same. Licensee specifically agrees to hold harmless, defend and indemnify United from any claim, liabilities, or damages (including attorneys' fees and related expenses of United) caused by or resulting from the Licensee's failure to obtain its own easements or rights-of-way to the full extent set out in Article VI hereof. Licensee further warrants and agrees that its easements and rights-of-way (whether now existing or hereafter created) and any license created

hereunder shall not interfere with the operations or services of United, and shall be subordinate to all rights, title and interests of United except as specifically provided herein.

#### ARTICLE IV

# MAINTENANCE OF POLES, ATTACHMENTS AND RIGHTS-OF-WAY

- (a) United shall, at its own expense, maintain the jointly-used poles and shall replace, reinforce, or repair such of these poles as they become defective in the ordinary course of its business but shall have no obligation(s) to Licensee with respect to same.
- (b) Whenever right-of-way considerations or public regulations make relocation of a pole necessary, such relocation shall be made by United at its own expense, except that each party shall bear the cost of transferring its own attachments thereto.
- shall (except as provided in Section (d) of this Article), before making such replacement or relocation, give reasonable notice thereof in writing (except in case of emergency, when verbal notice will be given and subsequently confirmed in writing) to the Licensee, specifying the time of such proposed replacement or relocation, and the Licensee shall, at the time so specified, at Licensee's expense, transfer its attachments to the new or relocated jointly-used pole; provided, however, that under no circumstance shall reasonable notice to Licensee be considered to be more than thirty (30) days. Should the Licensee fail to transfer its attachments to the new or relocated jointly-used pole at the time specified for such transfer of attachments, United may elect to do such work (at United's sole discretion) at Licensee's expense and risk, and the Licensee shall pay United the cost thereof (including United's related in-house costs and expenses and storage costs, if any),

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

and United shall have no liability with respect to same. United is not obligated to make such transfer. In the event United does such work, United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom or any other related direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

(d) Notwithstanding any other provision to the contrary, in the event United shall determine that the Licensee's Facilities (inclusive of now existing or hereafter created attachments) interfere with the operations or service of United or place such operations or service at unreasonable risk of disruption, United may, upon sixty (60) days notice to Licensee thereof (except in cases of emergency involving a risk to public safety or welfare, including the actual disruption of the operations or service of United, in which case verbal notice will be given if practical and subsequently confirmed in writing), remove or relocate (at United's sole discretion) the Licensee's Facilities, at Licensee's expense and risk, and Licensee shall pay United the actual cost thereof (including United's related in-house costs and expenses and storage costs, if any), and United shall have no liability with respect to same, except for damages caused by United's gross negligence. A determination by United that (i) Licensee's Facilities are interfering with the operation or service of United, (ii) place such operations or service at unreasonable risk of disruption, or (iii) create an emergency shall be final. In the event United removes or relocates Licensee's Facilities, United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom, or any other direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

- (e) Except as otherwise provided in Section (f) of this Article, Licensee shall at its expense and at all times maintain all of its attachments in accordance with the Specifications mentioned in Article I hereof and shall keep them in safe condition and in thorough repair. All necessary right-of-way maintenance, including tree trimming or cutting, except for that described in Article II (e) above, shall be performed by the parties as may be mutually agreed upon and the cost thereof shall be borne as may be mutually agreed upon.
- (f) In the event any of Licensee's Facilities or Licensee's use of the poles covered by this Agreement by Licensee do not comply in all respects with this Agreement, including the Specifications of Article I hereof and the Rules and Practices, such shall constitute a default by Licensee with respect to the Agreement if not cured within the time prescribed in X(a)(ii). In those situations where the non-conformity to this Agreement (including any of the Specifications or Rules and Practices) results in an emergency where notice is not practical, in United's sole determination, United may, but is not required to, take steps to address the situation and may modify, remove, and/or relocate related Licensee's Facilities at Licensee's expense and risk and Licensee shall pay United the cost thereof (including United's related in-house costs and expenses, and storage costs, if any), and United shall have no liability with respect to same. In the event United shall give notice

to Licensee of Licensee's failure to comply with a Specification or the Rules and Practices, Licensee shall, in addition to immediately curing such non-compliance, make payment to United of a \$100.00 fee for the processing of such non-compliance notice. United and Licensee agree that such fee is reasonable compensation for the handling of such non-compliance notice.

#### ARTICLE V

#### **INSURANCE**

The Licensee shall take out and maintain throughout the period during which this Agreement shall remain in effect, the following minimum insurance:

- 1. Worker's compensation insurance covering all employees of the Licensee, or of any contractor of Licensee, who shall perform any of the obligations of the Licensee hereunder and Employer's Liability Insurance with minimum limits of not less than \$500,000.00. If any employee is not subject to the worker's compensation laws of Texas then insurance shall be obtained by Licensee to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws of Texas.
- 2. Public liability and Commercial general liability and property damage insurance covering all operations under this Agreement for bodily injury or death of not less than the greater of (i) the minimum coverage allowed per 7 Code of Federal Regulations ("CFR") Part 1788, et seq. as same may be amended from time to time or (ii) \$2,000,000 for one person and \$2,000,000

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

for each accident; for property damage, not less than \$2,000,000 for each accident; and \$2,000,000 aggregate for accidents during the policy period, This policy shall be on a form acceptable to United, such acceptance which shall not be unreasonably withheld, endorsed to include United and the other Indemnitees as additional insureds, contain cross liability and severability of interest endorsements, and state that this insurance is primary insurance as regards to any other insurance carried by United or any Indemnitee, and shall include the following coverages:

- 1. Premise/Operation;
- 2. Independent Contractors;
- Completed Operations for a period of two (2) years following the date
  of the final completion of construction of the work as performed in
  accordance with the services of this Agreement;
- Broad Form Contractual Liability specifically in support of, but not limited to, the indemnity sections of this Agreement;
- 5. Broad Form Property Damage; and
- Personal Injury Liability with employee and contractual exclusions removed.
- 3. Automobile liability insurance on all vehicles used in connection with this Agreement whether owned, non-owned or hired; public liability limits of not less than the greater of (i) the minimum coverage allowed per 7 CFR Part 1788 et seq., as same may be amended from time to time, or (ii) \$1,000,000

for one person, and \$1,000,000 for each accident; property damage limit of \$1,000,000 for each accident. This policy shall be under standard form written to cover all owned, hired and non-owned automobiles. The policy shall be endorsed to include United and the other Indemnitees as additional insureds, contain cross-liability and severability of interest endorsements, and state that insurance is primary insurance as regards to any other insurance carried by United or any Indemnitee.

4. Umbrella Form Insurance coverage of for bodily injury or death of not less than the greater of (i) the minimum coverage allowed per 7 CFR Part 1788 et seq., as same may be amended from time to time, or (ii) \$5,000,000 per occurrence, for property damage of not less than \$5,000,000 aggregate (occurrence basis). This policy shall be written on a following form umbrella excess basis above the coverage described in (1), (2) and (3) above and shall be endorsed to include United the other Indemnitees as additional insureds.

Each policy required to be obtained by Licensee shall also provide for the waiver by the insurer or insurers thereunder (if obtainable) of any right of subrogation against United or any other Indemnitee.

The policies of insurance shall be in such form and issued by an insurer licensed to do insurance business in the State of Texas and rated at least A- in the Best rating system, and shall show United and Indemnitees as additional insureds under said policies, with provision that no such policy may be canceled, reduced in coverage, or lapse, without

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 12 OF 39** 

thirty (30) days written notice of such to United. The Licensee shall furnish to United, upon execution of this Agreement, evidence of compliance with the foregoing requirements.

Licensee may obtain the insurance required hereunder by endorsement on its blanket insurance policies, provided that said policies fulfill the requirements of this Article, that said policies reference United and other Indemnitees as additional insureds, satisfy the policy limits and other requirements of (1) - (4), and United receives satisfactory written proof of such coverage, including a certificate of insurance and copies of any endorsements to the policy naming United and other Indemnitees as additional insureds. Licensee shall permit United to examine, upon request, all relevant portions of policies, including the portions setting forth coverage and exclusions, applicable to insurance required to be maintained by Licensee under this Agreement and shall deliver to United a copy of same upon request. Nothing contained in this Agreement shall be construed to require United to prosecute any claim against any insurer or to contest any settlement proposed by any insurer.

LICENSEE HEREBY RELEASES AND SHALL CAUSE ITS INSURERS, ITS CONTRACTORS, SUBCONTRACTORS, AND THEIR INSURERS, TO RELEASE UNITED AND THE OTHER INDEMNITEES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION WHATSOVER WHICH LICENSEE, ITS INSURERS, ITS CONTRACTORS, SUBCONTRACTORS AND/OR THEIR INSURERS MIGHT OTHERWISE AT ANY TIME POSSESS RESULTING IN OR FROM OR IN ANY WAY CONNECTED WITH ANY LOSS COVERED OR WHICH SHOULD HAVE BEEN COVERED BY INSURANCE, INCLUDING THE DEDUCTIBLE PORTION THEREOF, MAINTAINED AND/OR REQUIRED TO BE

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 13 OF 39** 

MAINTAINED BY LICENSEE AND/OR ITS CONTRACTORS OR SUBCONTRACTORS
PURSUANT TO THIS AGREEMENT, EVEN IF SUCH CLAIMS OR CAUSES OF ACTION
ARISE FROM OR ARE ATTRIBUTED TO THE ACTIVE OR PASSIVE NEGLIGENCE OR
SOLE, JOINT, CONCURRENT OR COMPARATIVE NEGLIGENCE OF UNITED OR ANY
OTHER INDEMNITEE.

#### **ARTICLE VI**

#### INDEMNIFICATION

LICENSEE SHALL COMPENSATE UNITED FOR THE FULL ACTUAL LOSS, DAMAGE OR DESTRUCTION OF UNITED'S PROPERTY THAT IN ANY WAY ARISES FROM OR IS RELATED TO THIS AGREEMENT OR ACTIVITIES UNDERTAKEN PURSUANT TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, THE INSTALLATION, CONSTRUCTION, OPERATION, OR MAINTENANCE OF LICENSEE'S FACILITIES).

LICENSEE WILL FURTHER INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND EACH OF ITS AFFILIATED COMPANIES, PARTNERS, SUCCESSORS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES ("THE INDEMNIFIED PARTIES") FROM ANY AND ALL LIABILITY, CLAIMS, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), STATUTORY FINES OR PENALTIES, ACTIONS OR CLAIMS FOR PERSONAL INJURY INCLUDING DEATH, DAMAGE TO PROPERTY, OR OTHER DAMAGE FOR FINANCIAL LOSS OF WHATEVER NATURE IN ANY WAY ARISING OUT OF OR CONNECTED

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 14 OF 39** 

WITH THIS AGREEMENT OR LICENSEE'S FACILITIES (INCLUDING, WITHOUT LIMITATION, THE INSTALLATION, CONSTRUCTION, OPERATION, PRESENCE, USE, REARRANGMENT, REPAIR OR MAINTENANCE OF LICENSEE'S FACILITIES) EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES AND ASSIGNS. LICENSEE EXPRESSLY ASSUMES ALL LIABILITY FOR ACTIONS BY LICENSEE'S AGENTS, OFFICERS, OR EMPLOYEES, AND LICENSEE EXPRESSLY WAIVES ANY IMMUNITY FROM THE ENFORCEMENT OF THIS INDEMNIFICATION PROVISION THAT MIGHT OTHERWISE BE PROVIDED BY WORKERS' COMPENSATION LAW OR BY OTHER STATE OR FEDERAL LAWS.

WITHOUT LIMITING ANY OF THE FOREGOING, LICENSEE ASSUMES ALL RISK OF, AND AGREES TO RELIEVE UNITED OF ANY AND ALL LIABILITY FOR LOSS OR DAMAGE (AND THE CONSEQUENCES OF LOSS OR DAMAGE) TO ANY OF LICENSEE'S FACILITIES PLACED ON UNITED'S POLES AND ANY OTHER FINANCIAL LOSS SUSTAINED BY LICENSEE, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES, AND ASSIGNS.

WITHOUT LIMITING THE FOREGOING, LICENSEE EXPRESSLY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM ANY AND ALL CLAIMS ASSERTED BY END

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 15 OF 39** 

USERS/CUSTOMERS OF LICENSEE IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR LICENSEE'S FACILITIES, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES, AND ASSIGNS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, LICENSEE FURTHER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSSES, DAMAGES, FINES, PENALTIES, AND COSTS (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES) WHETHER FORESEEN OR UNFORESEEN, WHICH THE INDEMNIFIED PARTIES SUFFER OR INCUR BECAUSE OF:

- (1) ANY DISCHARGE OF HAZARDOUS WASTE RESULTING FROM ACTS OR OMISSIONS OF LICENSEE OR LICENSEE'S PREDECESSOR IN INTEREST;
- (2) ACTS OR OMISSIONS OF LICENSEE, ITS AGENTS, EMPLOYEES, LICENSEES, OR REPRESENTATIVES IN CONNECTION WITH ANY CLEANUP REQUIRED BY LAW, OR
- (3) FAILURE OF LICENSEE TO COMPLY WITH ENVIRONMENTAL, SAFETY AND HEALTH LAWS.

EXCEPT AS PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE
LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT
DAMAGES (INCLUDING, WITHOUT LIMITATION LOST PROFITS) ARISING OUT OF
AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION
SYSTEM POLES FOR DESIGNATED ATTACHMENTS
PAGE 16 OF 39
UCS-JUA-Rev. 10/03

THIS AGREEMENT OR ANY OBLIGATION ARISING HEREUNDER, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, OR OTHERWISE.

LICENSEE SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM AND AGAINST ANY AND ALL CLAIMS FOR LIBEL AND SLANDER, COPYRIGHT AND/OR PATENT INFRINGEMENT ARISING DIRECTLY OR INDIRECTLY BY REASON OF INSTALLATION OR USE OF LICENSEE'S FACILITIES ON UNITED'S POLES, CONDUIT SYSTEMS OR RIGHT-OF WAY PURSUANT TO THIS AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS.

THE INDEMINIFICATIONS PROVIDED BY LICENSEE HEREIN SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS OR OTHER EMPLOYEE BENEFITS.

"INDEMNIFICATION" TO THE CONTRARY, IN THE EVENT A CLAIM, SUIT, DEMAND
OR CAUSE OF ACTION IS BROUGHT AGAINST THE INDEMNIFIED PARTIES ARISING
OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR LICENSEE'S
FACILITIES AND SUCH CLAIM, SUIT, DEMAND OR CAUSE OF ACTION ALLEGES
INJURY OR DAMAGES CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

NEGLIGENT ACTS OR OMISSIONS ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS ("NEGLIGENCE CLAIMS"), LICENSEE AGREES TO INDEMNIFY, PAY, REIMBURSE, OR OTHERWISE COMPENSATE THE INDEMNIFIED PARTIES FOR, FROM AND AGAINST ALL COSTS INCURRED OR PAID IN THE DEFENSE AGAINST SUCH NEGLIGENCE CLAIMS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY'S FEES, EXPERT FEES, COURT COSTS, AND EXPENSES, UPON A FINAL FINDING OR JUDGMENT BY A COURT OF COMPETENT JURISDICTION THAT UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS WERE NOT SOLELY NEGLIGENT OR WERE NOT THE SOLE CAUSE OF THE INJURIES OR DAMAGES ASSERTED IN THE NEGLIGENCE CLAIMS, PROVIDED, HOWEVER, THAT THE AMOUNT OF COSTS INCURRED OR PAID IN THE DEFENSE OF SUCH NEGLIGENCE CLAIMS AND OWED TO THE INDEMNIFIED PARTIES UNDER THIS PROVISION SHALL BE REDUCED BY THE PERCENTAGE OF RESPONSIBILITY OF NEGLIGENCE ATTRIBUTED TO UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS.

#### ARTICLE VII

#### RECOVERY OF SPACE BY UNITED

(a) If United shall at any time require the space occupied by the Licensee's Facilities on United's poles, for the purpose of providing electricity to its customers, the Licensee, at Licensee's expense, shall remove Licensee's Facilities from United's poles upon receipt of sixty (60) days written notice from United of United's need for such space, by either vacating the space by the removal of its attachments or requesting a replacement

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 18 OF 39** 

pole pursuant to Section (b) of this Article. Upon the failure of the Licensee to remove Licensee's Facilities within sixty (60) days following Licensee's receipt of notice that United is requiring that such Licensee's Facilities be removed, Licensee's rights with respect to this Agreement shall terminate and United may remove or relocate (at United's sole discretion) the Licensee's Facilities at Licensee's expense (including storage costs, if any) and risk, and United shall have no liability with respect to same. United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom, or any other direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

(b) In the event the Licensee, upon receipt of notice from United given under Section (a) of this Article, shall desire that United replace any existing poles in order to provide space for Licensee's Facilities, the Licensee shall submit its request to United in accordance with the provisions of Article II hereof. If, in the sole judgment of United, replacing any existing poles in order to provide space for Licensee's Facilities is undesirable to United, United shall have the right to reject Licensee's request. Upon United's granting of such a request and United's receipt from Licensee of payment per United's cost estimate, United and Licensee shall proceed per Article II hereof.

#### **ARTICLE VIII**

#### ABANDONMENT OF JOINTLY-USED POLES

- (a) If United desires at any time to abandon any jointly-used pole, it may give the Licensee notice ("United's Abandonment Notice") in writing to that effect at least sixty (60) days prior to the date on which it intends to abandon such pole. If at the expiration of said period United shall have no attachments on such pole but the Licensee shall not have removed all of the Licensee's Facilities therefrom, such pole shall, upon proper payment to United as hereinafter described, thereupon become the property of the Licensee, and the Licensee shall save harmless, defend and indemnify United from all obligations, liabilities, damages, costs, expenses or charges incurred thereafter with regard to that pole to the full extent set out in Article VI hereof. Licensee shall, within sixty (60) days of receipt of United's Abandonment Notice, pay United for such pole(s) an amount equal to United's depreciated cost thereof and, upon receipt of payment, United shall evidence transfer to the Licensee of title to the pole(s) by means of a bill of sale.
- (b) The Licensee may abandon the use of a jointly-used pole by giving United thirty (30) days prior written notice ("Licensee's Abandonment Notice") on the form attached hereto as Appendix "B." Licensee shall, within sixty (60) days of Licensee's Abandonment Notice, remove at Licensee's expense all Licensee's Facilities it may have thereon. The Licensee shall, on or before December 31 of the year in which Licensee's Facilities are to be properly removed by Licensee per Licensee's Abandonment Notice, pay to United the full rental for said pole(s) through the year in which Licensee's Facilities are to be properly removed by Licensee. In the event the Licensee does not remove such

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

facilities within sixty (60) days of Licensee's Abandonment Notice, United may, but is not required to, remove such facilities at the Licensee's expense (including storage costs, if any) and risk, and United shall have no liability with respect to same.

#### ARTICLE IX

#### RENTALS

- (a) Rental is due for each pole for which Licensee submits a Request per Appendix "A" and joint use is granted by United. Rental shall be due for the calendar year in which United grants the request and for each year thereafter during the term of this Agreement. United and Licensee agree that as of the date of the last audit of Licensee's attachments to be covered under this Agreement, Licensee had 3941 attachments on United's poles. Licensee and United acknowledge and agree that: (i) each such pole attachment shall be deemed, for purposes of this Agreement, to have been the subject of a prior submitted request per Appendix "A" for which joint use has been granted by United; and (ii) each such pole is currently in use by Licensee and that the annual pole rental (hereinafter defined) shall be due and payable by Licensee to United per this Agreement for each such pole.
- (b) The rental per pole due from the Licensee to United shall be \$14.10 per calendar year ("Annual Pole Rental). Annual Pole Rental shall be due and payable with respect to each pole on or before December 31 of each calendar year during the term of this Agreement. Annual Pole Rental and all other payment to United hereunder shall be paid by Licensee at the office of United in Cleburne, Texas unless otherwise specified by United by written notice. For purposes of this Agreement, a pole in use by Licensee as of

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

any portion of a calendar year shall be considered to be in use by Licensee for that entire calendar year and Annual Pole Rental shall be due with respect to such pole. In November of each calendar year, Licensee shall provide to United an updated listing and map clearly identifying each pole of United used by Licensee at any time during the calendar year. In the event Licensee shall fail, prior to December 1 of each year, to provide to United, a detailed listing and map clearly identifying each pole of United used by Licensee, United may, at its discretion, prepare at Licensee's expense and risk, an updated listing and map clearly identifying each pole of United used by Licensee. Licensee shall pay United the cost thereof, including United's related in-house costs and expenses (including cost of any related field work). On or about December 1 of each year United, with the assistance of Licensee as needed, shall tabulate the total of the number of poles on which rentals are to be paid.

- (c) In the event this Agreement is extended past its term, as provided for in Article XVII hereof, the Annual Pole Rental due from the Licensee to United shall be increased to an amount equal to the Annual Pole Rental set out in (b) above, increased at the rate of three percent (3%) per annum compounded on each annual anniversary date throughout the term, and any extended term or terms, of this Agreement.
- (d) All other amounts (Annual Pole Rental being due December 31) payable under this Agreement shall be due and payable within thirty (30) days of billing by United.
- (e) If payment due hereunder from the Licensee is made ten (10) days or more late, Licensee will be charged, in addition to interest, a delinquency charge of (i) five percent (5%) of the unpaid portion of the payment due, or (ii) two hundred fifty and no/100

dollars (\$250), whichever is less. Licensee agrees with United that the charges set forth herein are reasonable compensation to United for the handling of such late payments-.

- (f) All past due amounts due from Licensee to United per this Agreement shall bear interest from the due date until paid at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law.
- any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to United in excess of the amounts permitted by applicable law shall be applied by United to reduce the principal indebtedness to United hereunder, or, at the option of United, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full term for which any such indebtedness is outstanding all interest at any time contracted for, charged or received from the Licensee hereof in connection with this Agreement, so that the actual rate of interest on account of any indebtedness arising hereunder is uniform throughout the term during which such indebtedness is outstanding.

#### ARTICLE X

#### **DEFAULTS AND REMEDIES**

(a) The term "Default," as used herein, shall include the occurrence of any one or more of the following events:

- (i) The failure of Licensee to pay any sum of money in accordance with this Agreement, or any part thereof, on the date on which the payment is due, and such failure continues for a period of thirty (30) days after the date United sends notice to Licensee of such failure.
- (ii) The failure of Licensee punctually and properly to perform, observe or comply with any covenant, agreement, undertaking or condition contained in this Agreement (other than covenants to pay any sum of money in accordance with this Agreement), which failure is not otherwise specifically addressed in this Agreement, and such failure continues for a period of thirty (30) days after the date United sends notice to Licensee of such failure, unless a shorter cure period is specified by this Agreement, and then the shorter cure period shall control.
- (iii) Licensee shall (i) execute an assignment for the benefit of creditors or take any action in furtherance thereof; or (ii) admit in writing its inability to pay, or fail to pay, its debts generally as they become due; (iii) seek, acquiesce in or suffer the appointment of a receiver, trustee, custodian or liquidator of Licensee or of Licensee's Facilities or any part thereof or of any significant portion of Licensee's other property; or (iv) voluntarily become a party to any proceeding seeking to effect a suspension or having the effect of suspending any of the rights or remedies of United granted or referred to in this Agreement or take any action in furtherance thereof.
- (iv) The filing of a petition, case, proceeding or other action against Licensee seeking appointment of a receiver, trustee, custodian or liquidator of Licensee or of Licensee's Facilities or any part thereof or of any significant portion of Licensee's other

property or seeking to effect a suspension or having the effect of suspending any of the rights or remedies of United granted or referred to in this Agreement and (i) Licensee admits, acquiesces in or fails to contest diligently the material allegations thereof; or (ii) the petition, case, proceeding or other action results in entry of an order for relief or order granting the relief sought against Licensee; or (iii) the petition, case, proceeding or other action is not permanently dismissed or discharged on or before the earlier of trial thereon or thirty (30) days next following the date of its filing.

- (v) A default, or the occurrence of an event which with the lapse of time or the giving of notice, or both, could become a default, under, or the acceleration of any indebtedness secured by, any mortgage, security interest or assignment which covers or affects any part of Licensee's Facilities.
- (vi) The discovery by either party that any representation or warranty made by the other party in any of this Agreement or in any other document ever delivered by a party in connection with this Agreement (including, but not limited to, any financial statements or Requests) is false, misleading, erroneous or breached in any material respect.
- (vii) Abandonment of any portion of Licensee's Facilities except in accordance with Article VIII(b).
- (viii) The dissolution, liquidation, termination or forfeiture of the right to do business of either party.
- (ix) Licensee shall have (1) concealed, removed, or permitted to be concealed or removed any part of its property with the intent to hinder, delay or defraud

any of its creditors; or (2) made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or (3) suffered or permitted while insolvent (under any applicable definition of the term) any creditor to obtain a lien upon any of its property through legal proceedings or distraint which lien is not permanently vacated within thirty (30) days from the date thereof.

- (x) The occurrence of a Material Adverse Change with respect to Licensee. As used herein, "Material Adverse Change" means any occurrence or combination of occurrences which could reasonably be expected to be material and adverse to the financial condition or business operation of Licensee or which could reasonably be expected to cause a Default.
- (b) Should a Default by Licensee occur and be continuing, United may, at its election and without further notice, do any one or more of the following:
- (i) Declare this Agreement to be terminated in its entirety, save and except for the survival of the covenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement.
- (ii) Terminate Licensee's permission and license to use the pole or poles of United, as provided in this Agreement and United may, at its sole discretion, designate the poles to which the termination by United shall apply, and United will have no further obligation to Licensee with respect to such poles but Licensee shall continue to be obligated to United per the terms of this Agreement.
- (iii) Bring suit against Licensee to compel performance in accordance with this Agreement.

(iv) Exercise any and all other remedies available at law or in equity.

In case of either termination of the Agreement in its entirety or termination of the permission and license as to specific poles, the Annual Pole Rental for the poles to which the termination applies shall be immediately due and payable for the then calendar year and Licensee shall remove Licensee's Facilities (for the poles to which the termination applies) as provided in Article XVII of this Agreement. So long as Licensee's facilities remain attached to the poles of United, after termination of the right of Licensee to use the poles of United, Licensee shall be liable to United for rental of 150% of the Annual Pole Rental for the period post-termination during which such facilities remain attached to the poles of United.

- ·(c) If United elects not to terminate this Agreement in its entirety, but terminates its permission or license as to specific poles, Licensee's attachments as to such poles shall be considered unauthorized and subject to ArticleXXI.
- (d) If Licensee shall make default in the performance of any work which it is obligated to do under this Agreement, United may elect to do such work or to contract with a third-party to have such work done, and the Licensee shall, upon demand, reimburse United the market rate for such services if performed by United or the cost to United if such services are performed by a third-party.
- (e) Should a default by United occur and be continuing after a reasonable opportunity to cure, Licensee may, at its election and without further notice, do any one or more of the following:

- (i) terminate this Agreement in its entirety, save and except for the survival of the convenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement, and the obligations of Licensee upon termination of the Agreement to remove Licensee's Facilities from the poles of United and pay Annual Pole Rental for the period post-termination during which such facilities remain attached to the poles of United;
- (ii) bring suit against United to compel performance in accordance with this Agreement; or
  - (iii) Exercise any other remedies available at law or in equity.
- Agreement and it becomes necessary for other party to obtain the services of an attorney(s) to enforce such, the defaulting party agrees to pay any and all of non-defaulting party's attorneys' fees, costs (including court costs) and expenses associated with the enforcement of such obligations, including but not limited to any and all attorneys fees and expenses incurred by non-defaulting party in conjunction with any bankruptcy of Licensee, including, without limitation, any appearances, court filings, and other expenses.
- (g) This Agreement is executed and delivered incident to a transaction negotiated (at least in part), consummated and performable in part in Johnson County, Texas, and shall be governed, construed, and interpreted as to validity, enforcement, and in all other respects in accordance with the laws of the State of Texas, and the laws of the United States of America, as applicable. The county in which United has its principal office is Johnson County, Texas and such county shall be the proper place of venue to enforce

payment or performance under this Agreement. Licensee irrevocably agrees that any legal proceeding arising out of or in connection with this Agreement shall be brought in the state court of appropriate jurisdiction in Johnson County, Texas or in the United States District Court for the District in which Johnson County is located.

#### **ARTICLE XI**

#### RIGHTS OF OTHER PARTIES

- (a) Any rights conferred upon Licensee to use the poles of United are not exclusive. If United, prior to the execution of this Agreement, has conferred, or hereafter confers, upon others, not parties to this Agreement, by contract or otherwise, rights or privileges to use any poles covered by this Agreement, nothing herein contained shall be construed as affecting such rights or privileges, and United shall have the right, by contract or otherwise, to continue or extend such existing rights or privileges. Prior to making any attachments to any pole or poles of United hereunder, the Licensee shall notify any such other parties in writing of the Licensee's proposed use of such pole or poles, and any attachment privileges granted to the Licensee hereunder shall be subject to any rights or privileges which shall have been theretofore conferred by United upon any such other parties.
- (b) Where municipal or other governmental regulations require United to allow the use of its poles for fire alarm, police, or other like signal systems, such use shall be permitted under the terms of this Article, and the Licensee shall be subject to such regulation in its use of any jointly-used poles to the same extent as United.

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

#### **ARTICLE XII**

#### ASSIGNMENT OF RIGHTS

The Licensee shall not assign, sell, transfer, or otherwise dispose of this Agreement or any of its rights or interests hereunder or in any of the jointly-used poles, or Licensee's Facilities covered by this Agreement, without the prior written consent of United, which consent shall not be unreasonably withheld. Any assignment by Licensee without United's prior written consent shall, in addition to being null and void, constitute a breach by Licensee of this Agreement; provided however, that Licensee may assign, sell or transfer this Agreement or its rights or interests hereunder or in any of the jointly-used poles, or Licensees Facilities covered by this Agreement to an affiliated entity controlling, controlled by, or under common control with Licensee without the prior consent of United. In such case, Licensee shall provide United with at least 30 days prior written notice of such assignment, sale or transfer.

#### **ARTICLE XIII**

#### WAIVER OF TERMS OR CONDITIONS

The failure of either party 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 XIV**

#### SUPPLEMENTAL AGREEMENTS

- (a) This Agreement may be amended or supplemented at any time only upon written Agreement by the parties hereto. Should either an amendment or supplement become necessary, the party desiring such amendment or supplement shall give thirty (30) days written notice to the party setting out in detail the changes or additions desired.
- (b) In the event that Licensee desires to change the number of jointly-used poles, the Licensee shall submit its request for such to United in accordance with the provisions of Article II hereof.

#### **ARTICLE XV**

#### PAYMENT OF TAXES

Each party shall pay all taxes and assessments lawfully levied on its own property. The taxes and the assessments which are levied on said joint poles shall be paid by United; provided, however, that any tax, fee or charge levied on United's poles which is attributable to the Licensee, Licensee's Facilities or any other property or use of Licensee shall be paid by the Licensee.

#### ARTICLE XVI

#### SERVICE OF NOTICES

All notices authorized or required between the parties by any of the provisions of this Agreement, unless otherwise specifically provided, shall be in writing and delivered in person or by United States mail, courier service, telegram, telex, telecopier or any other

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 31 OF 39** 

form of facsimile, postage or charges prepaid, and addressed to such parties at the addresses listed as follows:

UNITED ELECTRIC COOPERATIVE SERVICES, INC.

ATTN: PLANNING DEPARTMENT

COURIER ADDRESS: 330

3309 N. MAIN CLEBURNE, TEXAS 76033

MAILING ADDRESS:

P.O. BOX 16

CLEBURNE, TEXAS 76033-0016 TELECOPIER: 817-556-4068 TELEPHONE: 817-556-4000

or to the Licensee at its office at:

Thomas A. Hudock, Jr. Manager-Engineering

50 Executive Parkway Hudson, Ohio 44236

TELECOPIER: 330-650-7307 TELEPHONE: 330-650-7682

With Copy to:

Windstream Communications, Inc.

Attn: Legal Department

4001 N. Rodney Parham Road Little Rock, Arkansas 72212

The notice given under any other provision hereof shall be deemed delivered only when received by the party to whom such notice is directed, and the time for such party to deliver any notice in response thereto shall run from the date the originating notice is received. "Receipt" or "Received" for purposes of this Agreement with respect to written notice delivered hereunder shall be deemed to have occurred upon actual delivery of the notice to the address of the party to be notified, specified in accordance with this Agreement, or to the telecopy, facsimile or telex machine of such party as specified in this Agreement. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties. Licensee shall give written AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

PAGE 32 OF 39 UCS\_JUA-Rev. 10/03

notice to United of any change in Licensee's address within thirty (30) days of such change occurring.

#### **ARTICLE XVII**

#### **TERM OF AGREEMENT**

Absent earlier termination of this Agreement by default, as provided in Article X hereof, the term of this Agreement shall be for seven (7) years from the date hereof. If either party wishes to terminate this Agreement at the end of the seven (7) years, the other party shall be given written notice not less than one hundred twenty (120) days prior to the end of the seventh year of this Agreement that the Agreement shall terminate seven (7) years from the date of this Agreement. Otherwise, this Agreement shall remain in effect for additional one (1) year terms; provided, however, that during any such additional one (1) year term, either party may terminate this Agreement, by giving written notice to the other party not less than one hundred twenty (120) days prior to the date of such termination.

Licensee shall remove Licensee's Facilities within one hundred twenty (120) days of the (i) termination of this Agreement pursuant to this Article XVII and/or (ii) termination of the Agreement in its entirety or termination of the permission and license as to certain pole or poles as described in Article X of this Agreement. In the event Licensee's Facilities to which the termination applies are not removed by Licensee within such one hundred twenty (120) day period, United may, but is not required to, remove, use, dispose of, or sell such Facilities at the Licensee's expense (including storage costs, if any) and risk and United shall have no liability with respect to same for conversion, trespass, or otherwise. If United

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

chooses to sell such Facilities, United shall provide written notice to Licensee prior to such sale.

#### ARTICLE XVIII

#### SURVIVAL OF INDEMNITIES

Notwithstanding any other provisions to the contrary, the covenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement shall survive any termination of this Agreement and remain in full force and effect.

#### ARTICLE XIX

#### **EXISTING CONTRACTS**

All existing agreements, if any, between the parties hereto, including without limitation any agreements made by or between any predecessors or successors in interest of the parties, are by mutual consent abrogated and superseded by this Agreement, provided, however, that any covenant or provision intended to survive termination of any such agreement, including any covenant to indemnify and hold harmless United, shall survive termination and continue to remain in full force and effect until all claims are barred by applicable law.

Nothing in the foregoing shall preclude the parties to this Agreement from preparing such supplemental operating routines or working practices as they mutually agree to be necessary or desirable to effectively administer the provisions of this Agreement, but such shall not be binding until reduced to writing and signed by all parties hereto.

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 34 OF 39** 

#### ARTICLE XX

#### LETTER OF CREDIT

In the event of an occurrence which leads United to the reasonable belief that Licensee's financial condition or business operation is in jeopardy, including Licensee's failure to timely pay Annual Pole Rental and other sums due and owing under this Agreement, United may, at United's discretion, require Licensee to deliver to United within thirty (30) days of written request, a confirmed irrevocable letter of credit in favor of United ("Letter of Credit") as follows:

- (a) The amount of the Letter of Credit shall be in an aggregate amount which is the product of \$200.00 per pole multiplied by the number of poles on which attachments of Licensor's Facilities are proposed to be made or have been made, or such lesser amount to which United may agree in writing at its discretion;
- (b) The Letter of Credit shall be for a term concurrent with the term of this Agreement and continuing six (6) months thereafter;
- (c) The Letter of Credit must be in a form acceptable to United and be issued by a bank acceptable to United; and
- (d) The Letter of Credit shall provide for payment to United of the full amount of the Letter of Credit upon the following:

The Letter of Credit shall be available by drafts at sight by payment drawn on the issuing bank or any of its correspondents, presented to the drawee or to a negotiating bank on or before the expiration date by the following documents ("Documents"):

Certification by any officer of United that, in the judgment of United, the funds represented by United's draft(s) are required for its protection and that the proceeds of such drafts will be held by United as collateral against loss, cost or expense to which it is entitled to be paid and/or reimbursed by Licensor pursuant to the Agreement, or Licensee has not made payment of all amounts due from Licensee to United per the Agreement and/or Licensee has not, at its expense, properly removed all of its Facilities from the poles of United prior to ninety (90) days before the expiration date of the Letter of Credit.

#### ARTICLE XXI

#### **UNAUTHORIZED ATTACHMENTS**

(a) If any of Licensee's facilities for which no authorization has been granted by United or where authorization has been terminated shall be found attached to United's poles, United may, without prejudice to its other rights or remedies under this Agreement, including termination, require Licensee to submit, within fifteen (15) days after the date of written or oral notice from United of the unauthorized attachment, a Request and Request Procedures Fee for each unauthorized attachment. If such Request and Request Procedures Fee are not received by United within the specified time period, Licensee shall immediately remove its unauthorized facilities. If Licensee fails to immediately remove its unauthorized facilities unauthorized facilities and Licensee shall

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

**PAGE 36 OF 39** 

pay United the cost thereof within ten (10) days from the date of invoice for the charges. In the event United does such work, United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom or any other related direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

- United shall be found on the poles of United, the Licensee shall pay to United the rental for such poles from the date that Licensee's attachments were installed on such poles; or if dates of installation cannot be determined to the satisfaction of both parties, the installations shall be presumed to have been located on the poles of United for the greater of the following (i) a period of two (2) years, or (ii) the period of time since the effective date of this Agreement, and Licensee shall immediately make payment to United for the rental for such poles from the date Licensee's attachments are presumed to have been attached to such poles. Such rent for unauthorized use shall be 150% of the rental for authorized use as stated in Article IX.
- (c) No act or failure to act by United with regard to the unauthorized facilities shall be deemed as a ratification or the licensing of the unauthorized facilities. If authorization for the facilities shall subsequently be granted by United, said authorization shall not operate retroactively or constitute a waiver by United of any of its rights or privileges under this Agreement; provided, however, that Licensee shall be subject to all

charges, liabilities, obligations and responsibilities of this Agreement from its inception in regard to said unauthorized facilities, together with rental for unauthorized use as herein provided.

#### ARTICLE XXII

#### **MISCELLANEOUS**

- (a) No waiver by United of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation thereof.
- (b) Subject to the provisions of Article XIV hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
- (c) In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- (d) The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.
- (e) United shall be entitled to receive any and all sums which may be awarded or become payable with respect to the poles, or the attachments, or facilities of United for the

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

condemnation of such property or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable as damages caused by public works or construction on or near the poles of United. In the event of any such condemnation, the rights of Licensee hereunder shall be terminated as to the poles at issue in such condemnation, as of the date of such condemnation or at the date of any private sale in lieu thereof.

(f) Time is of the essence of this Agreement.

EXECUTED to be effective as of January 1, 2009.

UNITED ELECTRIC COOPERATIVE
SERVICES, INC.
2 PAR
By: Kan 18 1 Desur
Name: <u>Raymond H. Beavers</u>
Its: CEO
1 1
Date signed: 2/18/2010

TEXAS WINDSTREAM, INC.

By:

Name:

IM ROBERTS

Its: V/CE

PRESIDENT-ENGINEERING

Date signed: 2//2/1

#### Appendices:

A: Request Form

B: Abandonment Notice

Attachment 1: Rules and Regulations

#### APPENDIX "A"

#### REQUEST FORM

to

## AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

TO: UNITED ELECTRIC COOPERATIVE SERVICES, INC. ("United")
ATTN: SYSTEMS ENGINEERING DEPARTMENT
P.O. BOX 290
STEPHENVILLE, TEXAS 76401

("Licensee" or "Company"), located (state), (zip),
(state),(zip), rtain of your poles under the terms and conditions stric Distribution System Poles For Designated ecuted by your Cooperative and this Company on
on is requested are located as indicated by the number
ork involved in this project about (month),

The Company has previously or in conjunction with the submission to United of this Request Form prepared and furnished to you detailed construction plans and drawings to indicate specifically your poles that we wish to use jointly, in accordance with the procedure provided in Article II of the Agreement, as determined after engineering is complete.

The project limits are shown on the map attached hereto, it is understood that this Company will not use any poles except those indicated on the attached map.

In accordance with Article II, we are delivering to you with this request detailed construction plans and drawings for Licensee's Facilities which Licensee is requesting that it be permitted to construct on United's poles, together with maps, Required Changes and other information required per Article II of the Agreement. Our Company understands and

REQUEST FORM TO AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

agrees that if there are Required Changes, your approval of this request is conditional on the fulfilling of the obligation also set out in Article II in connection therewith.

Please signify your response to this request in the space provided and return that copy to this Company.

	By:
	quest to use jointly certain poles of this Cooperative nent executed by both parties hereto is hereby
	UNITED ELECTRIC COOPERATIVE SERVICES, INC.
*	By: Its:

#### **APPENDIX "B"**

#### ABANDONMENT NOTICE FORM

to

# AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

TO: UNITED ELECTRIC COOPERATIVE SERVICES, INC. ("United")
ATTN: SYSTEMS ENGINEERING DEPARTMENT
P.O. BOX 290
STEPHENVILLE, TEXAS 76401

NOTICE NO.:		
DATE OF NOTICE:		
hereby gives Notice of Licensee's aba and conditions of the Agreement for Joesignated Attachments dated Cooperative and this Company on  The poles being abandoned by are located as indicated by the attached Cour Company understands that	Joint Use  License ed map, at as prove	ee are listed on the attached schedule and which also bears notice number  vided in Article VIII of the Agreement, all of being abandoned by us and at our expense
	Ву:	
	Its:	

# **EXHIBIT 2 Pole Contract – Valor Telecommunications of Texas**

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

# AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

#### **TABLE OF CONTENTS**

ARTICLE I	SPECIFICATIONS2	
ARTICLE II	ESTABLISHING JOINT USE OF POLES 3	
ARTICLE III	EASEMENTS AND RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS	;
ARTICLE IV	MAINTENANCE OF POLES, ATTACHMENTS AND RIGHTS- OF-WAY	,
ARTICLE V	INSURANCE10	
ARTICLE VI	INDEMNIFICATION14	
ARTICLE VII	RECOVERY OF SPACE BY UNITED18	
ARTICLE VIII	ABANDONMENT OF JOINTLY-USED POLES20	
ARTICLE IX	RENTALS21	
ARTICLE X	DEFAULTS AND REMEDIES23	
ARTICLE XI	RIGHTS OF OTHER PARTIES29	
ARTICLE XII	ASSIGNMENT OF RIGHTS30	
ARTICLE XIII	WAIVER OF TERMS OR CONDITIONS30	
ARTICLE XIV	SUPPLEMENTAL AGREEMENTS31	
ARTICLE XV	PAYMENT OF TAXES31	
ARTICLE XVI	SERVICE OF NOTICES31	
ARTICLE XVII	TERM OF AGREEMENT33	
ARTICLE XVIII	SURVIVAL OF INDEMNITIES34	
ARTICLE XIX	EXISTING CONTRACTS	

LETTER OF CREDIT	35
*	
UNAUTHORIZED ATTACHMENTS	36
	00
MISCELLANEOUS	38
	UNAUTHORIZED ATTACHMENTS

Appendix A:

Request Form

Appendix B:

Abandonment Notice Form

Attachment No. 1: Rules and Practices for Attachments Applicable to Licensees

## AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

THIS AGREEMENT made this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 20\_\_\_, by and between UNITED ELECTRIC COOPERATIVE SERVICES, INC., (hereinafter called "United"), a non-profit electric cooperative corporation organized under the laws of the State of Texas, and Valor Telecommunications of Texas, LP d/b/a Windstream Communications Southwest (hereinafter called the "Licensee"), a Delaware limited partnership.

WHEREAS, Licensee proposes to furnish telecommunications service to residents in Erath, Johnson, Hood, Bosque and Ellis Counties, Texas, and will need to erect and maintain facilities (hereinafter called "Licensee's Facilities") throughout the area to be served, and desires to attach Licensee's Facilities to poles of United; and

WHEREAS, United is willing to permit in certain instances, to the extent it may lawfully do so and subject to the terms and conditions hereinafter stated, the attachment of Licensee's Facilities to its poles where such use will not interfere with United's own service requirements or with the rights or privileges of any other parties also using United's poles.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties hereto do hereby mutually covenant and agree as follows:

#### ARTICLE I

#### **SPECIFICATIONS**

- (a) Licensee shall at all times comply with the following ("Specifications"): Licensee's use of the poles covered by this Agreement and Licensee's Facilities shall at all times conform to the requirements of the current National Electrical Safety Code, Texas Vernon's Annotated Civil Statutes, Vernon's Texas Codes Annotated, and all revisions thereof, except where the lawful requirements of public authorities may be more stringent, in which case the latter will govern.
- (b) Additionally, Licensee's use of the poles covered by this Agreement and Licensee's Facilities shall, at all times, conform to the Rules and Practices as set forth in Attachment "1," as same may be amended from time to time by United as provided in this Agreement ("Rules and Practices").

It is understood and agreed between the parties that the Rules and Practices may be changed by United, or new Rules and Practices may be adopted by United, without resort to provisions of Article XIV, relating to, supplementing or amending this Agreement, and Licensee agrees to be bound by any such change or adoption. In the event that United should change or adopt a rule or practice or rules and practices, for the use of poles by Licensee, United shall give Licensee written notice of such change or adoption in the manner contemplated by Article XVI. Licensee agrees to make such changes or alterations in its installations or maintenance of its facilities as may be required in order to fully comply with the provisions of such notice and to complete such changes or alterations

within thirty (30) days (unless a contrary time frame is specified by United in such notice) after notice has been received.

(c) Licensee shall not subject poles covered by this Agreement to transverse and/or vertical loads in excess of those imposed upon such poles under the Heavy Loading Standards of the National Electrical Safety Code, as amended, assumed for the area in which such poles are loaded.

#### ARTICLE II

#### **ESTABLISHING JOINT USE OF POLES**

- (a) Before the Licensee shall make use of any of the poles of United under this Agreement, Licensee shall request permission therefor from United in writing on the form entitled "Request Form to Agreement for Joint Use of Electric Distribution System Poles For Designated Attachments" attached hereto and identified as Appendix "A", (the "Request"), (ii) submit to United a non-refundable fee of \$100.00 per Request (the "Request Procedures Fee")-. Requests not submitted on the form attached as Appendix "A" and accompanied by the Request Procedures Fee will not be considered by United. Licensee shall comply with the procedure set forth in the Request and in this Article II. Licensee's license to use certain of the poles of United is expressly conditioned as stated in this Agreement.
- (b) If, in the judgment of United, joint use under the circumstances is undesirable to United, United shall have the right to reject the Licensee's Request. <u>If within thirty (30)</u> days after the receipt of such Request from Licensee United has not notified the Licensee

in writing as to whether the Licensee's Request is granted or denied, the Request shall be deemed denied.

(c) In conjunction with or prior to requesting United's approval, Licensee shall furnish United detailed construction plans and drawings for Licensee's Facilities which the Licensee intends to construct on United's poles, together with necessary maps indicating specifically the poles of United to be used jointly, the number and character (including weight per foot, stringing sag and tension information, etc.) of the attachments to be placed on such poles. The Licensee shall also, in conjunction with or prior to requesting United's approval, request any rearrangement of United's fixtures and equipment necessary for joint use, any relocation or replacements of existing poles, and any additional poles that may be required (hereinafter "Required Changes"). All Required Changes must be itemized and submitted in conjunction with the Request. All Required Changes shall be at the expense of the Licensee. United may, on the basis of such detailed construction plans and drawings, and at United's discretion, submit to the Licensee within thirty (30) days a cost estimate for all Required Changes, including an estimated completion date for such Required Changes. Upon United's granting of a Request and United's receipt from Licensee of payment per United's cost estimate for the Required Changes, United shall proceed with the Required Changes covered by the cost estimate, and shall proceed to the completion thereof within United's time estimate. Should the Licensee fail to pay to United the amount of the cost estimate for the Required Changes, within forty-five (45) days from receipt thereof, the Licensee's Request and United's granting of the subject Request shall be deemed withdrawn and United shall have no obligations with respect to the subject Required Changes or the related Request. Nothing in the foregoing shall preclude the parties hereto from making any mutually agreeable arrangement for contracting for or otherwise accomplishing the Required Changes, if consented to by United in writing. Upon completion of all Required Changes, the Licensee shall have the right hereunder to jointly use the poles and to make attachments in accordance with the terms of the Licensee's Request and of this Agreement. The Licensee shall, at its own expense, make attachments in such manner as not to interfere with the operations or service of United, and place guys and anchors to sustain any unbalanced loads caused by its attachments.

- (d) Upon completion of all Required Changes, the parties hereto shall reconcile the actual costs of making the Required Changes, and the Licensee shall make any required additional payment, upon receipt of an invoice from United or, if applicable, United shall refund any overpayment.
- (e) Each party shall assume full responsibility for the initial clearing of rights-of-way for their own requirements. Thereafter, at regular intervals (typically between 5 and 7 years), United, at its expense, shall perform reclearing of existing rights-of-way and tree trimming it considers necessary for its own purposes. If additional trimming is required on account of Licensee's facilities at any time, then Licensee shall bear the cost of such trimming. The Licensee shall notify United in writing of any such reclearing or trimming it considers necessary.
- (f) All poles jointly used under this Agreement shall remain the property of United, and any payments made by the Licensee under this Agreement shall not entitle the Licensee to any ownership interest in any of said poles, or other of United's Facilities.

- (g) United reserves the right, in its sole discretion, to at any time exclude any of its facilities (including poles) from joint use.
- (h) Neither Licensee nor any employees or subcontractors of Licensee shall be permitted by Licensee to work on or adjacent to the poles of United unless they have in their possession at the worksite a copy of the written approval by United of the Request that authorizes the attachments to which such work relates. Licensee, its employees, and its subcontractors shall, upon the request of United, cease work on or in the proximity of the poles of United until such time as the proper authorization for such work per this Agreement can be verified by United.

#### ARTICLE III

#### EASEMENTS AND RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS

United does not warrant or assure the Licensee any rights-of-way or easements, or the right to use the easements upon which United's poles to be jointly used are placed, and if the Licensee shall at any time be prevented from placing or maintaining its attachments on United's poles by any third party, no liability on the account thereof shall attach to United. Licensee warrants that it shall obtain rights-of-way and easements sufficient for its uses, and assumes all risks and liabilities with respect to same. Licensee specifically agrees to hold harmless, defend and indemnify United from any claim, liabilities, or damages (including attorneys' fees and related expenses of United) caused by or resulting from the Licensee's failure to obtain its own easements or rights-of-way to the full extent set out in Article VI hereof. Licensee further warrants and agrees that its easements and rights-of-way (whether now existing or hereafter created) and any license created

hereunder shall not interfere with the operations or services of United, and shall be subordinate to all rights, title and interests of United except as specifically provided herein.

#### **ARTICLE IV**

#### MAINTENANCE OF POLES, ATTACHMENTS AND RIGHTS-OF-WAY

- (a) United shall, at its own expense, maintain the jointly-used poles and shall replace, reinforce, or repair such of these poles as they become defective in the ordinary course of its business but shall have no obligation(s) to Licensee with respect to same.
- (b) Whenever right-of-way considerations or public regulations make relocation of a pole necessary, such relocation shall be made by United at its own expense, except that each party shall bear the cost of transferring its own attachments thereto.
- shall (except as provided in Section (d) of this Article), before making such replacement or relocation, give reasonable notice thereof in writing (except in case of emergency, when verbal notice will be given and subsequently confirmed in writing) to the Licensee, specifying the time of such proposed replacement or relocation, and the Licensee shall, at the time so specified, at Licensee's expense, transfer its attachments to the new or relocated jointly-used pole; provided, however, that under no circumstance shall reasonable notice to Licensee be considered to be more than thirty (30) days. Should the Licensee fail to transfer its attachments to the new or relocated jointly-used pole at the time specified for such transfer of attachments, United may elect to do such work (at United's sole discretion) at Licensee's expense and risk, and the Licensee shall pay United the cost thereof (including United's related in-house costs and expenses and storage costs, if any),

and United shall have no liability with respect to same. United is not obligated to make such transfer. In the event United does such work, United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom or any other related direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

Notwithstanding any other provision to the contrary, in the event United shall (d) determine that the Licensee's Facilities (inclusive of now existing or hereafter created attachments) interfere with the operations or service of United or place such operations or service at unreasonable risk of disruption, United may, upon sixty (60) days notice to Licensee thereof (except in cases of emergency involving a risk to public safety or welfare, including the actual disruption of the operations or service of United, in which case verbal notice will be given if practical and subsequently confirmed in writing), remove or relocate (at United's sole discretion) the Licensee's Facilities, at Licensee's expense and risk, and Licensee shall pay United the actual cost thereof (including United's related in-house costs and expenses and storage costs, if any), and United shall have no liability with respect to same, except for damages caused by United's gross negligence. A determination by United that (i) Licensee's Facilities are interfering with the operation or service of United, (ii) place such operations or service at unreasonable risk of disruption, or (iii) create an emergency shall be final. In the event United removes or relocates Licensee's Facilities. United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom, or any other direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

- (e) Except as otherwise provided in Section (f) of this Article, Licensee shall at its expense and at all times maintain all of its attachments in accordance with the Specifications mentioned in Article I hereof and shall keep them in safe condition and in thorough repair. All necessary right-of-way maintenance, including tree trimming or cutting, except for that described in Article II (e) above, shall be performed by the parties as may be mutually agreed upon and the cost thereof shall be borne as may be mutually agreed upon.
- (f) In the event any of Licensee's Facilities or Licensee's use of the poles covered by this Agreement by Licensee do not comply in all respects with this Agreement, including the Specifications of Article I hereof and the Rules and Practices, such shall constitute a default by Licensee with respect to the Agreement if not cured within the time prescribed in X(a)(ii). In those situations where the non-conformity to this Agreement (including any of the Specifications or Rules and Practices) results in an emergency where notice is not practical, in United's sole determination, United may, but is not required to, take steps to address the situation and may modify, remove, and/or relocate related Licensee's Facilities at Licensee's expense and risk and Licensee shall pay United the cost thereof (including United's related in-house costs and expenses, and storage costs, if any), and United shall have no liability with respect to same. In the event United shall give notice

to Licensee of Licensee's failure to comply with a Specification or the Rules and Practices, Licensee shall, in addition to immediately curing such non-compliance, make payment to United of a \$100.00 fee for the processing of such non-compliance notice. United and Licensee agree that such fee is reasonable compensation for the handling of such non-

compliance notice.

#### **ARTICLE V**

#### **INSURANCE**

The Licensee shall take out and maintain throughout the period during which this Agreement shall remain in effect, the following minimum insurance:

- 1. Worker's compensation insurance covering all employees of the Licensee, or of any contractor of Licensee, who shall perform any of the obligations of the Licensee hereunder and Employer's Liability Insurance with minimum limits of not less than \$500,000.00. If any employee is not subject to the worker's compensation laws of Texas then insurance shall be obtained by Licensee to extend to the employer and employee coverage to the same extent as though the employer or employee were subject to the workers' compensation laws of Texas.
- 2. Public liability and Commercial general liability and property damage insurance covering all operations under this Agreement for bodily injury or death of not less than the greater of (i) the minimum coverage allowed per 7 Code of Federal Regulations ("CFR") Part 1788, et seq. as same may be amended from time to time or (ii) \$2,000,000 for one person and \$2,000,000

for each accident; for property damage, not less than \$2,000,000 for each accident; and \$2,000,000 aggregate for accidents during the policy period, This policy shall be on a form acceptable to United, such acceptance which shall not be unreasonably withheld, endorsed to include United and the other Indemnitees as additional insureds, contain cross liability and severability of interest endorsements, and state that this insurance is primary insurance as regards to any other insurance carried by United or any Indemnitee, and shall include the following coverages:

- 1. Premise/Operation;
- 2. Independent Contractors;
- 3. Completed Operations for a period of two (2) years following the date of the final completion of construction of the work as performed in accordance with the services of this Agreement;
- 4. Broad Form Contractual Liability specifically in support of, but not limited to, the indemnity sections of this Agreement:
- 5. Broad Form Property Damage; and
- 6. Personal Injury Liability with employee and contractual exclusions removed.
- 3. Automobile liability insurance on all vehicles used in connection with this Agreement whether owned, non-owned or hired; public liability limits of not less than the greater of (i) the minimum coverage allowed per 7 CFR Part 1788 et seg., as same may be amended from time to time, or (ii) \$1,000,000

for one person, and \$1,000,000 for each accident; property damage limit of \$1,000,000 for each accident. This policy shall be under standard form written to cover all owned, hired and non-owned automobiles. The policy shall be endorsed to include United and the other Indemnitees as additional insureds, contain cross-liability and severability of interest endorsements, and state that insurance is primary insurance as regards to any other insurance carried by United or any Indemnitee.

4. Umbrella Form Insurance coverage of for bodily injury or death of not less than the greater of (i) the minimum coverage allowed per 7 CFR Part 1788 et seq., as same may be amended from time to time, or (ii) \$5,000,000 per occurrence, for property damage of not less than \$5,000,000 aggregate (occurrence basis). This policy shall be written on a following form umbrella excess basis above the coverage described in (1), (2) and (3) above and shall be endorsed to include United the other Indemnitees as additional insureds.

Each policy required to be obtained by Licensee shall also provide for the waiver by the insurer or insurers thereunder (if obtainable) of any right of subrogation against United or any other Indemnitee.

The policies of insurance shall be in such form and issued by an insurer licensed to do insurance business in the State of Texas and rated at least A- in the Best rating system, and shall show United and Indemnitees as additional insureds under said policies, with provision that no such policy may be canceled, reduced in coverage, or lapse, without

thirty (30) days written notice of such to United. The Licensee shall furnish to United, upon execution of this Agreement, evidence of compliance with the foregoing requirements.

Licensee may obtain the insurance required hereunder by endorsement on its blanket insurance policies, provided that said policies fulfill the requirements of this Article, that said policies reference United and other Indemnitees as additional insureds, satisfy the policy limits and other requirements of (1) - (4), and United receives satisfactory written proof of such coverage, including a certificate of insurance and copies of any endorsements to the policy naming United and other Indemnitees as additional insureds. Licensee shall permit United to examine, upon request, all relevant portions of policies, including the portions setting forth coverage and exclusions, applicable to insurance required to be maintained by Licensee under this Agreement and shall deliver to United a copy of same upon request. Nothing contained in this Agreement shall be construed to require United to prosecute any claim against any insurer or to contest any settlement proposed by any insurer.

LICENSEE HEREBY RELEASES AND SHALL CAUSE ITS INSURERS, ITS CONTRACTORS, SUBCONTRACTORS, AND THEIR INSURERS, TO RELEASE UNITED AND THE OTHER INDEMNITEES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION WHATSOVER WHICH LICENSEE, ITS INSURERS, ITS CONTRACTORS, SUBCONTRACTORS AND/OR THEIR INSURERS MIGHT OTHERWISE AT ANY TIME POSSESS RESULTING IN OR FROM OR IN ANY WAY CONNECTED WITH ANY LOSS COVERED OR WHICH SHOULD HAVE BEEN COVERED BY INSURANCE, INCLUDING THE DEDUCTIBLE PORTION THEREOF, MAINTAINED AND/OR REQUIRED TO BE

MAINTAINED BY LICENSEE AND/OR ITS CONTRACTORS OR SUBCONTRACTORS
PURSUANT TO THIS AGREEMENT, EVEN IF SUCH CLAIMS OR CAUSES OF ACTION
ARISE FROM OR ARE ATTRIBUTED TO THE ACTIVE OR PASSIVE NEGLIGENCE OR
SOLE, JOINT, CONCURRENT OR COMPARATIVE NEGLIGENCE OF UNITED OR ANY
OTHER INDEMNITEE.

#### **ARTICLE VI**

#### INDEMNIFICATION

LICENSEE SHALL COMPENSATE UNITED FOR THE FULL ACTUAL LOSS, DAMAGE OR DESTRUCTION OF UNITED'S PROPERTY THAT IN ANY WAY ARISES FROM OR IS RELATED TO THIS AGREEMENT OR ACTIVITIES UNDERTAKEN PURSUANT TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, THE INSTALLATION, CONSTRUCTION, OPERATION, OR MAINTENANCE OF LICENSEE'S FACILITIES).

LICENSEE WILL FURTHER INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND EACH OF ITS AFFILIATED COMPANIES, PARTNERS, SUCCESSORS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES ("THE INDEMNIFIED PARTIES") FROM ANY AND ALL LIABILITY, CLAIMS, LOSSES, DAMAGES, COSTS, EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES), STATUTORY FINES OR PENALTIES, ACTIONS OR CLAIMS FOR PERSONAL INJURY INCLUDING DEATH, DAMAGE TO PROPERTY, OR OTHER DAMAGE FOR FINANCIAL LOSS OF WHATEVER NATURE IN ANY WAY ARISING OUT OF OR CONNECTED

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

WITH THIS AGREEMENT OR LICENSEE'S FACILITIES (INCLUDING, WITHOUT LIMITATION, THE INSTALLATION, CONSTRUCTION, OPERATION, PRESENCE, USE, REARRANGMENT, REPAIR OR MAINTENANCE OF LICENSEE'S FACILITIES) EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES AND ASSIGNS. LICENSEE EXPRESSLY ASSUMES ALL LIABILITY FOR ACTIONS BY LICENSEE'S AGENTS, OFFICERS, OR EMPLOYEES, AND LICENSEE EXPRESSLY WAIVES ANY IMMUNITY FROM THE ENFORCEMENT OF THIS INDEMNIFICATION PROVISION THAT MIGHT OTHERWISE BE PROVIDED BY WORKERS' COMPENSATION LAW OR BY OTHER STATE OR FEDERAL LAWS.

WITHOUT LIMITING ANY OF THE FOREGOING, LICENSEE ASSUMES ALL RISK OF, AND AGREES TO RELIEVE UNITED OF ANY AND ALL LIABILITY FOR LOSS OR DAMAGE (AND THE CONSEQUENCES OF LOSS OR DAMAGE) TO ANY OF LICENSEE'S FACILITIES PLACED ON UNITED'S POLES AND ANY OTHER FINANCIAL LOSS SUSTAINED BY LICENSEE, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES, AND ASSIGNS.

WITHOUT LIMITING THE FOREGOING, LICENSEE EXPRESSLY AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM ANY AND ALL CLAIMS ASSERTED BY END

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS UCS-JUA-Rev. 10/03

USERS/CUSTOMERS OF LICENSEE IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR LICENSEE'S FACILITIES, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES, AND ASSIGNS.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, LICENSEE FURTHER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSSES, DAMAGES, FINES, PENALTIES, AND COSTS (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES) WHETHER FORESEEN OR UNFORESEEN, WHICH THE INDEMNIFIED PARTIES SUFFER OR INCUR BECAUSE OF:

- (1) ANY DISCHARGE OF HAZARDOUS WASTE RESULTING FROM ACTS OR OMISSIONS OF LICENSEE OR LICENSEE'S PREDECESSOR IN INTEREST;
- (2) ACTS OR OMISSIONS OF LICENSEE, ITS AGENTS, EMPLOYEES, LICENSEES, OR REPRESENTATIVES IN CONNECTION WITH ANY CLEANUP REQUIRED BY LAW, OR
- (3) FAILURE OF LICENSEE TO COMPLY WITH ENVIRONMENTAL, SAFETY AND HEALTH LAWS.

EXCEPT AS PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION LOST PROFITS) ARISING OUT OF AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

PAGE 16 OF 39 UCS-JUA-Rev. 10/03

THIS AGREEMENT OR ANY OBLIGATION ARISING HEREUNDER, WHETHER IN AN ACTION FOR OR ARISING OUT OF BREACH OF CONTRACT, OR OTHERWISE.

LICENSEE SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS UNITED AND ITS AFFILIATED COMPANIES, PARTNERS AND SUCCESSORS, AGENTS, OFFICERS, SHAREHOLDERS, DIRECTORS, EMPLOYEES, ASSIGNS, HEIRS, DESIGNEES AND LEGAL REPRESENTATIVES FROM AND AGAINST ANY AND ALL CLAIMS FOR LIBEL AND SLANDER, COPYRIGHT AND/OR PATENT INFRINGEMENT ARISING DIRECTLY OR INDIRECTLY BY REASON OF INSTALLATION OR USE OF LICENSEE'S FACILITIES ON UNITED'S POLES, CONDUIT SYSTEMS OR RIGHT-OF WAY PURSUANT TO THIS AGREEMENT, EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS.

THE INDEMINIFICATIONS PROVIDED BY LICENSEE HEREIN SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS OR OTHER EMPLOYEE BENEFITS.

NOTHWITHSTANDING ANYTHING CONTAINED IN THIS ARTICLE VI
"INDEMNIFICATION" TO THE CONTRARY, IN THE EVENT A CLAIM, SUIT, DEMAND
OR CAUSE OF ACTION IS BROUGHT AGAINST THE INDEMNIFIED PARTIES ARISING
OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR LICENSEE'S
FACILITIES AND SUCH CLAIM, SUIT, DEMAND OR CAUSE OF ACTION ALLEGES
INJURY OR DAMAGES CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR

NEGLIGENT ACTS OR OMISSIONS ON THE PART OF UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS ("NEGLIGENCE CLAIMS"). LICENSEE AGREES TO INDEMNIFY, PAY, REIMBURSE, OR OTHERWISE COMPENSATE THE INDEMNIFIED PARTIES FOR, FROM AND AGAINST ALL COSTS INCURRED OR PAID IN THE DEFENSE AGAINST SUCH NEGLIGENCE CLAIMS, INCLUDING BUT NOT LIMITED TO REASONABLE ATTORNEY'S FEES. EXPERT FEES. COURT COSTS, AND EXPENSES, UPON A FINAL FINDING OR JUDGMENT BY A COURT OF COMPETENT JURISDICTION THAT UNITED OR UNITED'S AGENTS. OFFICERS, EMPLOYEES OR ASSIGNS WERE NOT SOLELY NEGLIGENT OR WERE NOT THE SOLE CAUSE OF THE INJURIES OR DAMAGES ASSERTED IN THE NEGLIGENCE CLAIMS, PROVIDED, HOWEVER, THAT THE AMOUNT OF COSTS INCURRED OR PAID IN THE DEFENSE OF SUCH NEGLIGENCE CLAIMS AND OWED TO THE INDEMNIFIED PARTIES UNDER THIS PROVISION SHALL BE REDUCED BY THE PERCENTAGE OF RESPONSIBILITY OF NEGLIGENCE ATTRIBUTED TO UNITED OR UNITED'S AGENTS, OFFICERS, EMPLOYEES OR ASSIGNS.

#### **ARTICLE VII**

#### RECOVERY OF SPACE BY UNITED

(a) If United shall at any time require the space occupied by the Licensee's Facilities on United's poles, for the purpose of providing electricity to its customers, the Licensee, at Licensee's expense, shall remove Licensee's Facilities from United's poles upon receipt of sixty (60) days written notice from United of United's need for such space, by either vacating the space by the removal of its attachments or requesting a replacement

pole pursuant to Section (b) of this Article. Upon the failure of the Licensee to remove

Licensee's Facilities within sixty (60) days following Licensee's receipt of notice that United

is requiring that such Licensee's Facilities be removed, Licensee's rights with respect to

this Agreement shall terminate and United may remove or relocate (at United's sole

discretion) the Licensee's Facilities at Licensee's expense (including storage costs, if any)

and risk, and United shall have no liability with respect to same. United shall not be liable

for any loss or damage to the Licensee's Facilities which result therefrom, or any other

direct, incidental or consequential damages, and Licensee does hereby expressly release

United and each of its affiliated companies, partners, successors, assigns, heirs, legal

representatives, designees, officers, directors, shareholders, employees and agents from

any and all such loss and/or damages.

(b) In the event the Licensee, upon receipt of notice from United given under

Section (a) of this Article, shall desire that United replace any existing poles in order to

provide space for Licensee's Facilities, the Licensee shall submit its request to United in

accordance with the provisions of Article II hereof. If, in the sole judgment of United,

replacing any existing poles in order to provide space for Licensee's Facilities is

undesirable to United, United shall have the right to reject Licensee's request. Upon

United's granting of such a request and United's receipt from Licensee of payment per

United's cost estimate, United and Licensee shall proceed per Article II hereof.

#### ARTICLE VIII

#### ABANDONMENT OF JOINTLY-USED POLES

- (a) If United desires at any time to abandon any jointly-used pole, it may give the Licensee notice ("United's Abandonment Notice") in writing to that effect at least sixty (60) days prior to the date on which it intends to abandon such pole. If at the expiration of said period United shall have no attachments on such pole but the Licensee shall not have removed all of the Licensee's Facilities therefrom, such pole shall, upon proper payment to United as hereinafter described, thereupon become the property of the Licensee, and the Licensee shall save harmless, defend and indemnify United from all obligations, liabilities, damages, costs, expenses or charges incurred thereafter with regard to that pole to the full extent set out in Article VI hereof. Licensee shall, within sixty (60) days of receipt of United's Abandonment Notice, pay United for such pole(s) an amount equal to United's depreciated cost thereof and, upon receipt of payment, United shall evidence transfer to the Licensee of title to the pole(s) by means of a bill of sale.
- (b) The Licensee may abandon the use of a jointly-used pole by giving United thirty (30) days prior written notice ("Licensee's Abandonment Notice") on the form attached hereto as Appendix "B." Licensee shall, within sixty (60) days of Licensee's Abandonment Notice, remove at Licensee's expense all Licensee's Facilities it may have thereon. The Licensee shall, on or before December 31 of the year in which Licensee's Facilities are to be properly removed by Licensee per Licensee's Abandonment Notice, pay to United the full rental for said pole(s) through the year in which Licensee's Facilities are to be properly removed by Licensee. In the event the Licensee does not remove such

facilities within sixty (60) days of Licensee's Abandonment Notice, United may, but is not required to, remove such facilities at the Licensee's expense (including storage costs, if any) and risk, and United shall have no liability with respect to same.

#### ARTICLE IX

#### RENTALS

- (a) Rental is due for each pole for which Licensee submits a Request per Appendix "A" and joint use is granted by United. Rental shall be due for the calendar year in which United grants the request and for each year thereafter during the term of this Agreement. United and Licensee agree that as of the date of the last audit of Licensee's attachments to be covered under this Agreement, Licensee had 775 attachments on United's poles. Licensee and United acknowledge and agree that: (i) each such pole attachment shall be deemed, for purposes of this Agreement, to have been the subject of a prior submitted request per Appendix "A" for which joint use has been granted by United; and (ii) each such pole is currently in use by Licensee and that the annual pole rental (hereinafter defined) shall be due and payable by Licensee to United per this Agreement for each such pole.
- (b) The rental per pole due from the Licensee to United shall be \$14.10 per calendar year ("Annual Pole Rental). Annual Pole Rental shall be due and payable with respect to each pole on or before December 31 of each calendar year during the term of this Agreement. Annual Pole Rental and all other payment to United hereunder shall be paid by Licensee at the office of United in Cleburne, Texas unless otherwise specified by United by written notice. For purposes of this Agreement, a pole in use by Licensee as of

any portion of a calendar year shall be considered to be in use by Licensee for that entire calendar year and Annual Pole Rental shall be due with respect to such pole. In November of each calendar year, Licensee shall provide to United an updated listing and map clearly identifying each pole of United used by Licensee at any time during the calendar year. In the event Licensee shall fail, prior to December 1 of each year, to provide to United, a detailed listing and map clearly identifying each pole of United used by Licensee, United may, at its discretion, prepare at Licensee's expense and risk, an updated listing and map clearly identifying each pole of United used by Licensee. Licensee shall pay United the cost thereof, including United's related in-house costs and expenses (including cost of any related field work). On or about December 1 of each year United, with the assistance of Licensee as needed, shall tabulate the total of the number of poles on which rentals are to be paid.

- (c) In the event this Agreement is extended past its term, as provided for in Article XVII hereof, the Annual Pole Rental due from the Licensee to United shall be increased to an amount equal to the Annual Pole Rental set out in (b) above, increased at the rate of three percent (3%) per annum compounded on each annual anniversary date throughout the term, and any extended term or terms, of this Agreement.
- (d) All other amounts (Annual Pole Rental being due December 31) payable under this Agreement shall be due and payable within thirty (30) days of billing by United.
- (e) If payment due hereunder from the Licensee is made ten (10) days or more late, Licensee will be charged, in addition to interest, a delinquency charge of (i) five percent (5%) of the unpaid portion of the payment due, or (ii) two hundred fifty and no/100

dollars (\$250), whichever is less. Licensee agrees with United that the charges set forth herein are reasonable compensation to United for the handling of such late payments-.

- (f) All past due amounts due from Licensee to United per this Agreement shall bear interest from the due date until paid at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law.
- any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to United in excess of the amounts permitted by applicable law shall be applied by United to reduce the principal indebtedness to United hereunder, or, at the option of United, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full term for which any such indebtedness is outstanding all interest at any time contracted for, charged or received from the Licensee hereof in connection with this Agreement, so that the actual rate of interest on account of any indebtedness arising hereunder is uniform throughout the term during which such indebtedness is outstanding.

#### **ARTICLE X**

#### **DEFAULTS AND REMEDIES**

(a) The term "Default," as used herein, shall include the occurrence of any one or more of the following events:

(i) The failure of Licensee to pay any sum of money in accordance with

this Agreement, or any part thereof, on the date on which the payment is due, and such

failure continues for a period of thirty (30) days after the date United sends notice to

Licensee of such failure.

(ii) The failure of Licensee punctually and properly to perform, observe or

comply with any covenant, agreement, undertaking or condition contained in this

Agreement (other than covenants to pay any sum of money in accordance with this

Agreement), which failure is not otherwise specifically addressed in this Agreement, and

such failure continues for a period of thirty (30) days after the date United sends notice to

Licensee of such failure, unless a shorter cure period is specified by this Agreement, and

then the shorter cure period shall control.

(iii) Licensee shall (i) execute an assignment for the benefit of creditors or

take any action in furtherance thereof; or (ii) admit in writing its inability to pay, or fail to

pay, its debts generally as they become due; (iii) seek, acquiesce in or suffer the

appointment of a receiver, trustee, custodian or liquidator of Licensee or of Licensee's

Facilities or any part thereof or of any significant portion of Licensee's other property; or (iv)

voluntarily become a party to any proceeding seeking to effect a suspension or having the

effect of suspending any of the rights or remedies of United granted or referred to in this

Agreement or take any action in furtherance thereof.

(iv) The filing of a petition, case, proceeding or other action against

Licensee seeking appointment of a receiver, trustee, custodian or liquidator of Licensee or

of Licensee's Facilities or any part thereof or of any significant portion of Licensee's other

AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

property or seeking to effect a suspension or having the effect of suspending any of the rights or remedies of United granted or referred to in this Agreement and (i) Licensee admits, acquiesces in or fails to contest diligently the material allegations thereof; or (ii) the petition, case, proceeding or other action results in entry of an order for relief or order granting the relief sought against Licensee; or (iii) the petition, case, proceeding or other action is not permanently dismissed or discharged on or before the earlier of trial thereon or thirty (30) days next following the date of its filing.

- (v) A default, or the occurrence of an event which with the lapse of time or the giving of notice, or both, could become a default, under, or the acceleration of any indebtedness secured by, any mortgage, security interest or assignment which covers or affects any part of Licensee's Facilities.
- (vi) The discovery by either party that any representation or warranty made by the other party in any of this Agreement or in any other document ever delivered by a party in connection with this Agreement (including, but not limited to, any financial statements or Requests) is false, misleading, erroneous or breached in any material respect.
- (vii) Abandonment of any portion of Licensee's Facilities except in accordance with Article VIII(b).
- (viii) The dissolution, liquidation, termination or forfeiture of the right to do business of either party.
- (ix) Licensee shall have (1) concealed, removed, or permitted to be concealed or removed any part of its property with the intent to hinder, delay or defraud

any of its creditors; or (2) made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or (3) suffered or permitted while insolvent (under any applicable definition of the term) any creditor to obtain a lien upon any of its property through legal proceedings or distraint which lien is not permanently vacated within thirty (30) days from the date thereof.

- (x) The occurrence of a Material Adverse Change with respect to Licensee. As used herein, "Material Adverse Change" means any occurrence or combination of occurrences which could reasonably be expected to be material and adverse to the financial condition or business operation of Licensee or which could reasonably be expected to cause a Default.
- (b) Should a Default by Licensee occur and be continuing, United may, at its election and without further notice, do any one or more of the following:
- (i) Declare this Agreement to be terminated in its entirety, save and except for the survival of the covenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement.
- (ii) Terminate Licensee's permission and license to use the pole or poles of United, as provided in this Agreement and United may, at its sole discretion, designate the poles to which the termination by United shall apply, and United will have no further obligation to Licensee with respect to such poles but Licensee shall continue to be obligated to United per the terms of this Agreement.
- (iii) Bring suit against Licensee to compel performance in accordance with this Agreement.

(iv) Exercise any and all other remedies available at law or in equity.

In case of either termination of the Agreement in its entirety or termination of the permission and license as to specific poles, the Annual Pole Rental for the poles to which the termination applies shall be immediately due and payable for the then calendar year and Licensee shall remove Licensee's Facilities (for the poles to which the termination applies) as provided in Article XVII of this Agreement. So long as Licensee's facilities remain attached to the poles of United, after termination of the right of Licensee to use the poles of United, Licensee shall be liable to United for rental of 150% of the Annual Pole Rental for the period post-termination during which such facilities remain attached to the poles of United.

- (c) If United elects not to terminate this Agreement in its entirety, but terminates its permission or license as to specific poles, Licensee's attachments as to such poles shall be considered unauthorized and subject to Article XXI.
- (d) If Licensee shall make default in the performance of any work which it is obligated to do under this Agreement, United may elect to do such work or to contract with a third-party to have such work done, and the Licensee shall, upon demand, reimburse United the market rate for such services if performed by United or the cost to United if such services are performed by a third-party.
- (e) Should a default by United occur and be continuing after a reasonable opportunity to cure, Licensee may, at its election and without further notice, do any one or more of the following:

- (i) terminate this Agreement in its entirety, save and except for the survival of the convenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement, and the obligations of Licensee upon termination of the Agreement to remove Licensee's Facilities from the poles of United and pay Annual Pole Rental for the period post-termination during which such facilities remain attached to the poles of United;
- (ii) bring suit against United to compel performance in accordance with this Agreement; or
  - (iii) Exercise any other remedies available at law or in equity.
- (f) If either party shall make default in any of its obligations under this Agreement and it becomes necessary for other party to obtain the services of an attorney(s) to enforce such, the defaulting party agrees to pay any and all of non-defaulting party's attorneys' fees, costs (including court costs) and expenses associated with the enforcement of such obligations, including but not limited to any and all attorneys fees and expenses incurred by non-defaulting party in conjunction with any bankruptcy of Licensee, including, without limitation, any appearances, court filings, and other expenses.
- (g) This Agreement is executed and delivered incident to a transaction negotiated (at least in part), consummated and performable in part in Johnson County, Texas, and shall be governed, construed, and interpreted as to validity, enforcement, and in all other respects in accordance with the laws of the State of Texas, and the laws of the United States of America, as applicable. The county in which United has its principal office is Johnson County, Texas and such county shall be the proper place of venue to enforce

payment or performance under this Agreement. Licensee irrevocably agrees that any legal proceeding arising out of or in connection with this Agreement shall be brought in the state court of appropriate jurisdiction in Johnson County, Texas or in the United States District Court for the District in which Johnson County is located.

#### **ARTICLE XI**

#### RIGHTS OF OTHER PARTIES

- (a) Any rights conferred upon Licensee to use the poles of United are not exclusive. If United, prior to the execution of this Agreement, has conferred, or hereafter confers, upon others, not parties to this Agreement, by contract or otherwise, rights or privileges to use any poles covered by this Agreement, nothing herein contained shall be construed as affecting such rights or privileges, and United shall have the right, by contract or otherwise, to continue or extend such existing rights or privileges. Prior to making any attachments to any pole or poles of United hereunder, the Licensee shall notify any such other parties in writing of the Licensee's proposed use of such pole or poles, and any attachment privileges granted to the Licensee hereunder shall be subject to any rights or privileges which shall have been theretofore conferred by United upon any such other parties.
- (b) Where municipal or other governmental regulations require United to allow the use of its poles for fire alarm, police, or other like signal systems, such use shall be permitted under the terms of this Article, and the Licensee shall be subject to such regulation in its use of any jointly-used poles to the same extent as United.

#### **ARTICLE XII**

#### **ASSIGNMENT OF RIGHTS**

The Licensee shall not assign, sell, transfer, or otherwise dispose of this Agreement or any of its rights or interests hereunder or in any of the jointly-used poles, or Licensee's Facilities covered by this Agreement, without the prior written consent of United, which consent shall not be unreasonably withheld. Any assignment by Licensee without United's prior written consent shall, in addition to being null and void, constitute a breach by Licensee of this Agreement; provided however, that Licensee may assign, sell or transfer this Agreement or its rights or interests hereunder or in any of the jointly-used poles, or Licensees Facilities covered by this Agreement to an affiliated entity controlling, controlled by, or under common control with Licensee without the prior consent of United. In such case, Licensee shall provide United with at least 30 days prior written notice of such assignment, sale or transfer.

#### **ARTICLE XIII**

#### WAIVER OF TERMS OR CONDITIONS

The failure of either party 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 XIV**

#### SUPPLEMENTAL AGREEMENTS

- (a) This Agreement may be amended or supplemented at any time only upon written Agreement by the parties hereto. Should either an amendment or supplement become necessary, the party desiring such amendment or supplement shall give thirty (30) days written notice to the party setting out in detail the changes or additions desired.
- (b) In the event that Licensee desires to change the number of jointly-used poles, the Licensee shall submit its request for such to United in accordance with the provisions of Article II hereof.

#### **ARTICLE XV**

#### **PAYMENT OF TAXES**

Each party shall pay all taxes and assessments lawfully levied on its own property. The taxes and the assessments which are levied on said joint poles shall be paid by United; provided, however, that any tax, fee or charge levied on United's poles which is attributable to the Licensee, Licensee's Facilities or any other property or use of Licensee shall be paid by the Licensee.

#### **ARTICLE XVI**

#### SERVICE OF NOTICES

All notices authorized or required between the parties by any of the provisions of this Agreement, unless otherwise specifically provided, shall be in writing and delivered in person or by United States mail, courier service, telegram, telex, telecopier or any other

form of facsimile, postage or charges prepaid, and addressed to such parties at the addresses listed as follows:

UNITED ELECTRIC COOPERATIVE SERVICES, INC.

ATTN: PLANNING DEPARTMENT

COURIER ADDRESS:

3309 N. MAIN

CLEBURNE, TEXAS 76033

MAILING ADDRESS:

P.O. BOX 16

**CLEBURNE, TEXAS 76033-0016** TELECOPIER: 817-556-4068 TELEPHONE: 817-556-4000

or to the Licensee at its office at:

Thomas A. Hudock, Jr. Manager-Engineering

50 Executive Parkway Hudson, Ohio 44236

TELECOPIER: 330-650-7307 TELEPHONE: 330-650-7682

With Copy to:

Windstream Communications, Inc.

Attn: Legal Department

4001 N. Rodney Parham Road Little Rock, Arkansas 72212

The notice given under any other provision hereof shall be deemed delivered only when received by the party to whom such notice is directed, and the time for such party to deliver any notice in response thereto shall run from the date the originating notice is received. "Receipt" or "Received" for purposes of this Agreement with respect to written notice delivered hereunder shall be deemed to have occurred upon actual delivery of the notice to the address of the party to be notified, specified in accordance with this Agreement, or to the telecopy, facsimile or telex machine of such party as specified in this Agreement. Each party shall have the right to change its address at any time, and from time to time, by giving written notice thereof to all other parties. Licensee shall give written AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION

notice to United of any change in Licensee's address within thirty (30) days of such change occurring.

#### **ARTICLE XVII**

#### TERM OF AGREEMENT

Absent earlier termination of this Agreement by default, as provided in Article X hereof, the term of this Agreement shall be for seven (7) years from the date hereof. If either party wishes to terminate this Agreement at the end of the seven (7) years, the other party shall be given written notice not less than one hundred twenty (120) days prior to the end of the seventh year of this Agreement that the Agreement shall terminate seven (7) years from the date of this Agreement. Otherwise, this Agreement shall remain in effect for additional one (1) year terms; provided, however, that during any such additional one (1) year term, either party may terminate this Agreement, by giving written notice to the other party not less than one hundred twenty (120) days prior to the date of such termination.

Licensee shall remove Licensee's Facilities within one hundred twenty (120) days of the (i) termination of this Agreement pursuant to this Article XVII and/or (ii) termination of the Agreement in its entirety or termination of the permission and license as to certain pole or poles as described in Article X of this Agreement. In the event Licensee's Facilities to which the termination applies are not removed by Licensee within such one hundred twenty (120) day period, United may, but is not required to, remove, use, dispose of, or sell such Facilities at the Licensee's expense (including storage costs, if any) and risk and United shall have no liability with respect to same for conversion, trespass, or otherwise. If United

chooses to sell such Facilities, United shall provide written notice to Licensee prior to such sale.

#### ARTICLE XVIII

#### SURVIVAL OF INDEMNITIES

Notwithstanding any other provisions to the contrary, the covenants of Licensee to indemnify and hold harmless United, including without limitation, all provisions of Article VI of this Agreement shall survive any termination of this Agreement and remain in full force and effect.

#### ARTICLE XIX

#### **EXISTING CONTRACTS**

All existing agreements, if any, between the parties hereto, including without limitation any agreements made by or between any predecessors or successors in interest of the parties, are by mutual consent abrogated and superseded by this Agreement, provided, however, that any covenant or provision intended to survive termination of any such agreement, including any covenant to indemnify and hold harmless United, shall survive termination and continue to remain in full force and effect until all claims are barred by applicable law.

Nothing in the foregoing shall preclude the parties to this Agreement from preparing such supplemental operating routines or working practices as they mutually agree to be necessary or desirable to effectively administer the provisions of this Agreement, but such shall not be binding until reduced to writing and signed by all parties hereto.

#### ARTICLE XX

#### LETTER OF CREDIT

In the event of an occurrence which leads United to the reasonable belief that Licensee's financial condition or business operation is in jeopardy, including Licensee's failure to timely pay Annual Pole Rental and other sums due and owing under this Agreement, United may, at United's discretion, require Licensee to deliver to United within thirty (30) days of written request, a confirmed irrevocable letter of credit in favor of United ("Letter of Credit") as follows:

- (a) The amount of the Letter of Credit shall be in an aggregate amount which is the product of \$200.00 per pole multiplied by the number of poles on which attachments of Licensor's Facilities are proposed to be made or have been made, or such lesser amount to which United may agree in writing at its discretion;
- (b) The Letter of Credit shall be for a term concurrent with the term of this Agreement and continuing six (6) months thereafter;
- (c) The Letter of Credit must be in a form acceptable to United and be issued by a bank acceptable to United; and
- (d) The Letter of Credit shall provide for payment to United of the full amount of the Letter of Credit upon the following:

The Letter of Credit shall be available by drafts at sight by payment drawn on the issuing bank or any of its correspondents, presented to the drawee or to a negotiating bank on or before the expiration date by the following documents ("Documents"):

Certification by any officer of United that, in the judgment of United, the funds represented by United's draft(s) are required for its protection and that the proceeds of such drafts will be held by United as collateral against loss, cost or expense to which it is entitled to be paid and/or reimbursed by Licensor pursuant to the Agreement, or Licensee has not made payment of all amounts due from Licensee to United per the Agreement and/or Licensee has not, at its expense, properly removed all of its Facilities from the poles of United prior to ninety (90) days before the expiration date of the Letter of Credit.

#### ARTICLE XXI

#### **UNAUTHORIZED ATTACHMENTS**

(a) If any of Licensee's facilities for which no authorization has been granted by United or where authorization has been terminated shall be found attached to United's poles, United may, without prejudice to its other rights or remedies under this Agreement, including termination, require Licensee to submit, within fifteen (15) days after the date of written or oral notice from United of the unauthorized attachment, a Request and Request Procedures Fee for each unauthorized attachment. If such Request and Request Procedures Fee are not received by United within the specified time period, Licensee shall immediately remove its unauthorized facilities. If Licensee fails to immediately remove its unauthorized facilities unauthorized facilities and Licensee shall

pay United the cost thereof within ten (10) days from the date of invoice for the charges. In the event United does such work, United shall not be liable for any loss or damage to the Licensee's Facilities which result therefrom or any other related direct, incidental or consequential damages, and Licensee does hereby expressly release United and each of its affiliated companies, partners, successors, assigns, heirs, legal representatives, designees, officers, directors, shareholders, employees and agents from any and all such loss and/or damages.

- United shall be found on the poles of United, the Licensee shall pay to United the rental for such poles from the date that Licensee's attachments were installed on such poles; or if dates of installation cannot be determined to the satisfaction of both parties, the installations shall be presumed to have been located on the poles of United for the greater of the following (i) a period of two (2) years, or (ii) the period of time since the effective date of this Agreement, and Licensee shall immediately make payment to United for the rental for such poles from the date Licensee's attachments are presumed to have been attached to such poles. Such rent for unauthorized use shall be 150% of the rental for authorized use as stated in Article IX.
- (c) No act or failure to act by United with regard to the unauthorized facilities shall be deemed as a ratification or the licensing of the unauthorized facilities. If authorization for the facilities shall subsequently be granted by United, said authorization shall not operate retroactively or constitute a waiver by United of any of its rights or privileges under this Agreement; provided, however, that Licensee shall be subject to all

charges, liabilities, obligations and responsibilities of this Agreement from its inception in regard to said unauthorized facilities, together with rental for unauthorized use as herein provided.

#### **ARTICLE XXII**

#### **MISCELLANEOUS**

- (a) No waiver by United of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation thereof.
- (b) Subject to the provisions of Article XIV hereof, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
- (c) In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- (d) The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.
- (e) United shall be entitled to receive any and all sums which may be awarded or become payable with respect to the poles, or the attachments, or facilities of United for the

condemnation of such property or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable as damages caused by public works or construction on or near the poles of United. In the event of any such condemnation, the rights of Licensee hereunder shall be terminated as to the poles at issue in such condemnation, as of the date of such condemnation or at the date of any private sale in lieu thereof.

(f) Time is of the essence of this Agreement.

EXECUTED to be effective as of January 1, 2009.

` Зу:	Kan & K Beam
Name:	Raymond H. Beavers
lts:	CEO
Date si	gned: $\frac{2/18/2010}{}$
	VALOR TELECOMMUNICATIONS OF TEXAS, LP d/b/a WINDSTREAM COMMUNICATIONS SOUTHWEST
Ву:	Jim Solts
Name:	JIM ROBERTS
Its:	VICE PRESIDENT-ENGINEERING

UNITED ELECTRIC COOPERATIVE

SERVICES, INC.

Date signed:

### Appendices:

A: Request Form

B: Abandonment Notice

Attachment 1: Rules and Regulations

#### APPENDIX "A"

#### REQUEST FORM

#### AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

UNITED ELECTRIC COOPERATIVE SERVICES, INC. ("United") TO: ATTN: SYSTEMS ENGINEERING DEPARTMENT P.O. BOX 290 STEPHENVILLE, TEXAS 76401

REQUEST NO	<del></del>		
DATE OF REQUE	EST:	9	
at		("Licensee" or "Cor (state),	
requests your period the Agreemen	mission to use jointly certain tof Joint Use of Electric	in of your poles under the term Distribution System Poles uted by your Cooperative and t	s and conditions For Designated
	for which this permission iich also bears request nu	is requested are located as imber	indicated by the
	(year), and comple	involved in this project about te the work about	

The Company has previously or in conjunction with the submission to United of this Request Form prepared and furnished to you detailed construction plans and drawings to indicate specifically your poles that we wish to use jointly, in accordance with the procedure provided in Article II of the Agreement, as determined after engineering is complete.

The project limits are shown on the map attached hereto, it is understood that this Company will not use any poles except those indicated on the attached map.

In accordance with Article II, we are delivering to you with this request detailed construction plans and drawings for Licensee's Facilities which Licensee is requesting that it be permitted to construct on United's poles, together with maps, Required Changes and other information required per Article II of the Agreement. Our Company understands and

REQUEST FORM TO AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

UCS-JUA-Rev. 10/03

Please signify your response copy to this Company.	to this request	in the space prov	vided and retu	rn that
copy to time company,	v			
	30 47	88	<u> </u>	
	Ву:			
3	Its:		*	
	*			
TO:		#!  Q	0	
This is to advise you that you	request to use	jointly certain pol	es of this Coop	erative
as outlined above and in the Agr tentatively granted/denied.				

By:

Its:

Date:

**UNITED ELECTRIC** 

COOPERATIVE SERVICES, INC.

#### **APPENDIX "B"**

#### ABANDONMENT NOTICE FORM

to

### AGREEMENT FOR JOINT USE OF ELECTRIC DISTRIBUTION SYSTEM POLES FOR DESIGNATED ATTACHMENTS

UNITED ELECTRIC COOPERATIVE SERVICES, INC. ("United")

ATTN: SYSTEMS ENGINEERING DEPARTMENT

TO:

P.O. BOX 290 STEPHENVILLE, TEXAS 76401 NOTICE NO.: DATE OF NOTICE: \_\_\_\_\_("Licensee" or "Company"), located at \_\_\_\_(city), \_\_ \_\_\_\_\_(state), \_\_\_\_\_(zip), hereby gives Notice of Licensee's abandonment of certain of your poles under the terms and conditions of the Agreement for Joint Use of Electric Distribution System Poles For Designated Attachments dated \_\_\_\_\_ and executed by your Cooperative and this Company on The poles being abandoned by Licensee are listed on the attached schedule and are located as indicated by the attached map, which also bears notice number . Our Company understands that as provided in Article VIII of the Agreement, all of our facilities must be removed from the poles being abandoned by us and at our expense and risk within thirty (30) days of the date of this Notice. By: Its:

19-22312-rdd Doc 2153-3 Filed 06/18/20 Entered 06/18/20 19:41:01 Exhibit Pg 1 of 2

## **EXHIBIT 3 2018 Pole Rental Amount**



Invoice No.

2018120711

**INVOICE** 

389-001 WINDSTREAM COMMUNICATIONS ATTENTION: POLES PO BOX 25410 LITTLE ROCK, AR 72221

**DESCRIPTION** 

QTY

**UNIT PRICE** 

**AMOUNT** 

**2018 POLE ATTACHMENTS** 

4888

18.40

89,939.20

BALANCE

89,939.20

SUBMIT PAYMENT TO: UNITED COOPERATIVE SERVICES

ATTENTION: KAREN HALL

P.O. BOX 290

STEPHENVILLE, TEXAS 76401

PAYMENT IS DUE BY JANUARY 21, 2019.

PAYMENTS NOT RECEIVED BY DUE DATE WILL BE SUBJECT TO 18% INTEREST.

19-22312-rdd Doc 2153-4 Filed 06/18/20 Entered 06/18/20 19:41:01 Exhibit Pg 1 of 2

# EXHIBIT 4 2019 Pole Rental Amount



Invoice No.

2019120711

Your Touchstone Energy® Cooperative

INVOICE

389-001

WINDSTREAM COMMUNICATIONS

ATTENTION: POLES

PO BOX 25410

LITTLE ROCK, AR 72221

**DESCRIPTION** 

**QTY** 

UNIT PRICE

**AMOUNT** 

**2019 POLE ATTACHMENTS** 

5181

18.95

98,179.95

**BALANCE** 

98,179.95

SUBMIT PAYMENT TO: UNITED COOPERATIVE SERVICES

ATTENTION: KAREN HALL

P.O. BOX 290

STEPHENVILLE, TEXAS 76401

PAYMENT IS DUE BY February 24, 2020.

PAYMENTS NOT RECEIVED BY DUE DATE WILL BE SUBJECT TO 18% INTEREST.

## EXHIBIT 5 2019 Audit Amount



January 24, 2020

**Attaching Company** 

To Whom It May Concern:

United Electric Cooperative Services, Inc. (United) has collected all data resulting from a joint use attachment audit performed by VentureSum Corporation accomplished during 2019. United informed your company of this audit and invited you to a pre-audit meeting that was held on March 1, 2019.

Upon request, United will provide your company with an ESRI shape file containing geographical location of your company's attachments to United's distribution poles. This information should be able to be used by your mapping department to update your attachment records accordingly and produce updated attachment maps.

From this point forward, United will use this base set of data as the starting point to add and remove attachment data via the permit process that you are required to use. Please remember that a process is outlined in your agreement with United for Joint Use of Electric Distribution Poles that outlines the steps necessary to add or remove attachments; this process needs to be followed. Further, this audit will occur on a 3 year cycle allowing UCS to ensure that the permit process is occurring properly.

Finally, please find attached an invoice for your portion of the audit project cost. If you have any questions, please feel free to contact me at your convenience at (817) 782-8357 or by email at Corym@united-cs.com.

Sincerely,

Cory Menzel

Cory Menyal

Engineering Services Manager



Invoice No.

5219009

Your Touchstone Energy Cooperative



INVOICE

389-001

WINDSTREAM COMMUNICATIONS

ATTENTION: POLES

PO BOX 25410

LITTLE ROCK, AR 72221

**DESCRIPTION** 

QTY

**UNIT PRICE** 

**AMOUNT** 

POLE ATTACHMENTS

5130

6.07

31,121.45

FEES INCURRED FOR 2019 JOINT USE AUDIT

**BALANCE** 

31,121.45

SUBMIT PAYMENT TO: UNITED COOPERATIVE SERVICES

ATTENTION: KAREN HALL

P.O. BOX 290

STEPHENVILLE, TEXAS 76401

PAYMENT IS DUE BY February 24, 2020.

PAYMENTS NOT RECEIVED BY DUE DATE WILL BE SUBJECT TO 18% INTEREST.