

ORDINANCE NO. 48

AN ORDINANCE GRANTING TO PEDERNALES ELECTRIC COOPERATIVE, INC., ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC LIGHT, HEAT AND POWER FRANCHISE, REPEALING ALL PREVIOUS ORDINANCES OF THE CITY OF UHLAND, TEXAS, GRANTING A FRANCHISE FOR SUCH PURPOSE.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE City OF UHLAND, TEXAS:

Section 1. That there is hereby granted to Pedernales Electric Cooperative, Inc., its successors and assigns (herein called "Grantee"), the right, privilege and franchise until June 1, 2025, to construct, maintain and operate in the present and future streets, alleys, and public places of the City of Uhland, Texas, and its successors, electric light and power lines, with all necessary or desirable appurtenances (including underground conduits, poles, wires, transmission lines and other structures and telephone lines for its own use), for the purpose of supplying electricity to the said City, the inhabitants thereof, and persons and corporations beyond the limits thereof, for light, heat, power and other related purposes.

Section 2. Poles, structures and other appurtenances shall be so erected and maintained as not to interfere unreasonably with traffic over streets and alleys. The location of all poles, conduits and other structures shall be fixed under the supervision of the Board of Aldermen of the City of Uhland, or to such official or committee to which it may lawfully delegate such authority, or the successors thereto, but not so as to interfere unreasonably with the proper operation of said lines.

Section 3. The service furnished hereunder to said City and its inhabitants shall be first class in all respects considering all circumstances, and shall be subject to such reasonable rules and regulations as Grantee may make from time to time; and shall be subject to such reasonable regulations, promulgated in a lawful manner, as may be imposed by proper authority of said City. The Grantee may require reasonable security for the payment of its bills.

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

Section 5. That on the 31st day of December, 2005, and annually thereafter on December 31 of each succeeding year for the life of this franchise, Grantee, its successors and assigns, shall pay to the City of Uhland a sum equal to two percent (2%)of its gross revenue received from the sale of electric power and energy, including fuel adjustment by Grantee within the corporate limits of said City for the preceding twelve months ending December 31, in full payment for the privilege of using and occupying the streets, highways, easements, alleys, parks and other public places in the City of Uhland whether as rental, supervision, and inspection charges, or otherwise, for twelve months preceding of the year for which payment is due.

Section 6. The Grantee shall file its written acceptance of this franchise within sixty (60) days after its passage and approval.

Section 7. This franchise is not exclusive, and nothing herein shall be construed so as to prevent the City of Uhland from granting other like or similar rights and privileges to any other person, firm or corporation.

Section 8. When this ordinance shall have become effective, all previous ordinances of the City of Uhland, Texas, granting a franchise to Pedernales Electric Cooperative, Inc. for electric light, heat and power purposes shall be repealed, and this ordinance shall be effective from and after the date of its passage.

Section 9. This franchise shall be a privilege to be held in personal trust by the original grantee, and cannot in any event be sold, transferred, leased, assigned or disposed of, in whole or in part, without prior consent of the Board of Aldermen of the City of Uhland; shall consent shall not be unreasonably withheld, however, the proposed Assignee must show financial responsibility and must agree to comply with this ordinance.

Section 10. In addition to all other rights and powers pertaining to the City by virtue of this franchise or otherwise, the City reserves the right to terminate this franchise and all rights and privileges of the Grantee hereunder in the event that the Grantee: (1) violates any provision of this franchise or any rule, order, of determination of the City or Board of Aldermen made pursuant to this franchise, except where such violation is without knowledge or through excusable neglect. (2) Becomes insolvent, unable or unwilling to pay its debts, or is adjudged bankrupt. (3) Attempts to evade any of the provisions of this franchise, or practices any fraud or deceit upon the City.

Such termination and cancellation shall be by ordinance duly adopted after thirty (30) days notice to the Grantee, and shall in no way affect any of the City's rights under this franchise or any provisions of law. In the event that such termination and cancellation depends upon a finding of fact, such finding of fact as made by the Board of Aldermen or its lawful representative shall be conclusive. Provided, however, that before this franchise may be terminated and cancelled under this Section, the Grantee must be provided with an opportunity to be heard by the Board of Aldermen.

Section 11. Grantee shall pay to the said City a percentage of gross receipts as set forth above; and if Grantee is paying a greater percentage to other Cities, Citys and Villages then the figure contained herein shall be adjusted upward to equal such percentage; such adjustment shall be reduced to writing and signed by the Mayor, or other authorized official of the City, and by an authorized representative of Grantee.

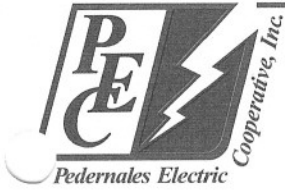
PASSED AND APPROVED THIS 3rd DAY OF AUGUST, 2005.

David R. Heideman

Mayor Pro-tem

ATTEST: Diana J. Woods

City Secretary



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B Woods

November 1, 2005

The Honorable Daniel Heideman
Mayor Pro Tem
City of Uhland
15 North Old Spanish Trail
Uhland, Texas 78640

Dear Mayor Heideman:

The Board of Directors of Pedernales Electric Cooperative, Inc. recently unanimously approved the 20-year franchise agreement with the City of Uhland. The franchise agreement provides PEC and the City of Uhland with a mutually beneficial relationship.

One of our Kyle office employees will continue to visit your council meetings once every quarter to update you on PEC activities in your area and address questions or concerns you may have. However, please contact us any time we may be of assistance to you.

We appreciate your interest in the Cooperative and look forward to our continued pleasant relationship.

Sincerely,

Bennie Fuelberg
Bennie Fuelberg
General Manager

BF:JD:gb

cc: Russ Adamiak