

MINUTES } CITY OF PIKEVILLE

AT A SPECIALLY CALLED MEETING OF THE COMMON COUNCIL OF CITY OF PIKEVILLE, KENTUCKY. CONVENED AND HELD IN THE CITY HALL ON AUGUST 14, 1940, AT 1, P.M. THE FOLLOWING MEMBERS WERE PRESENT: AND THE FOLLOWING PROCEEDINGS WERE HAD:

Present Mayor, Hi Pauley Presiding,
and Councilmen,

Hayes Jones,
Charles Sowards,
G.C. Leslie,
W.S. Wells,
T.J. Howell,
Charles Childers,

ABSENT NONE:

We the undersigned hereby waive written notice of this specially called meeting of the Common Council;

Hi Pauley,	Mayor
Hayes Jones,	Councilman,
Charles Sowards	"
G.C. Leslie,	"
W.S. Wells,	"
C.E. Childers,	"

It was moved by Hayes Jones, that the following ordinance be passed same was seconded by Charles Childers, and the vote on same is as follows:

Hayes Jones,	Yes
Charles Childers,	Yes
Charles Sowards,	Yes
W.S. Wells,	Yes
G.C. Leslie,	Yes
T.J. Howell,	Yes.

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF PIKEVILLE, KENTUCKY, AN AGREEMENT DATED AUGUST 9, 1940, BETWEEN THE PUBLIC SERVICE COMPANY, AND THE CITY OF PIKEVILLE, KENTUCKY, WHEREBY SAID CITY PURCHASES THE NATURAL GAS DISTRIBUTION SYSTEM SUPPLYING SAID CITY, WHEN AND AS AS PROVIDED IN SAID AGREEMENT.

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF PIKEVILLE, KENTUCKY, AS FOLLOWS:

SECTION 1, The proposal of the Southern Public Service Company of Date August 9, 1940, to the City of Pikeville, offering to sell its gas distribution system in and adjacent to the said City of Pikeville, is hereby accepted, which said proposal is in words and figures as follows:

"This Agreement made and entered into this 9th Day of August, 1940, by and between Southern Public Service Company, a corporation of Kentucky, Party of the first part, hereinafter referred to as the "seller", and the City of Pikeville, Kentucky, a municipal corporation, party of the second part, hereinafter referred to as the "Buyer",

W I T N E S S E T H :

THAT, WHEREAS, The seller is the owner of a gas distribution system in and about the City of Pikeville, Kentucky, which gas distribution system the Buyer is desirous of purchasing,

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00), paid by the Buyer to the Seller, and the mutual agreements between the parties hereto and as herein after set forth, it is agreed as follows:

(1) The seller agrees to sell to the Buyer its entire gas distribution system located in and about the City of Pikeville, Pike County, Kentucky, including all real property owned by the Seller and the buildings and improvements thereon; all pipes, mains, meters, meter boxes, tools and equipment, fittings, Wholesale gas agreements, easements, licenses, franchises, rights of way, maps and plats, but specifically excluding from such sale all cash on hand and in banks and all notes and accounts receivable .

(2) The Buyer agrees to buy the gas system of the Seller described in the foregoing paragraph (1) and to pay therefor the sum of Fifty-one Thousand Dollars (\$51,000.00) in cash at the time of the conveyance of such properties to the Buyer. The Buyer agrees to assume all obligations of the Seller with respect to the purchase of natural gas by the Seller, including specifically the obligations of the Seller under the agreement of July 19, 1928, between Oscar A. Sears and Southeastern Kentucky Utilities Company and the tripartite agreement of May 20, 1929, between Southeastern Kentucky Utilities Company, Southeastern Kentucky Fuel Company and United Carbon Company.

(3) The Seller agrees that it will make available to the Buyer, its agents, accountants and attorneys, at all reasonable times, all information and data relating to such Pikeville gas distribution system of the Seller which the Seller has, together with all books of account, operating records, abstracts of title and all other books and documents relating to such system and the operations thereof.

(4) The Seller agrees that at the time of the closing hereunder, and upon receipt of the purchase price from the Buyer, it will convey to the Buyer

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good and marketable title to the Pikeville gas distribution system to be sold hereunder by General Warranty Deed, free and clear of all liens and encumbrances, excepting the lien, if any, of current taxes not in default.

(5) The Seller shall be entitled to the revenues accruing from the operations of the Pikeville gas distribution system to and including the date of closing hereunder, and shall pay all operating expenses incurred to and including such date of closing.

In the event that the closing date hereunder shall take place on a date other than Seller's meter reading date with respect to its customers, Seller will read its gas meters immediately before or on the date of closing.

(6) All real property taxes duly assessed and payable to the date of closing hereunder shall be paid by the Seller. In the event that the tax assessment and the tax rate for the year 1940 are not available at the time of closing, such adjustment of taxes shall be made on the basis of the tax assessment and tax rate for the preceding year.

(7) The Seller agrees that prior to the date of closing hereunder it will not enter into any contracts in connection with its Pikeville gas distribution system other than such contracts as are incidental to the normal operation of the business of such gas system, and agrees that all materials and supplies on hand, except such as are consumed in the operation of such gas system, shall remain on hand and shall be delivered to the Buyer at the time of closing.

(8) At the time of closing hereunder, or at its option within Thirty (30) days thereafter, the Seller shall deliver to the Buyer all gas customers' deposits held by it with respect to those customers of the Pikeville gas distribution system not delinquent in the payment of their gas bills for a period of not more than Sixty (60) days, together with any accrued and unpaid interest thereon.

(9) The obligations of the Seller hereunder are subject to its having obtained the required consent, if any, of any regulatory commission having jurisdiction with respect to the Seller, including, if required, the consent of the Securities and Exchange Commission.

(10) The Buyer agrees that in the event that the consent of the Kentucky Public Service Commission to its acquisition and operation of such Pikeville gas property is required, it will promptly apply for and obtain such permission or consent.

(11) It is expressly understood and agreed that the obligations of the Seller hereunder shall be subject to the consent of Continental Illinois National Bank and Trust Company of Chicago, as Trustee under the Trust Indenture securing the Collateral Trust 6% Bonds, Series A of American Utilities Service Corporation.

(12) The closing date hereunder, unless changed by mutual agreement, shall be October 1, 1940, provided that in the event the consent of any regulatory commission is required for the consummation of the transaction herein contemplated, then such closing date shall be continued to a mutually agreeable date, not to exceed Ten (10) days after the securing of such consent or approval. If such consent or approval is required, both the Seller and the Buyer shall cooperate in securing such approval at the earliest possible date. On the closing date hereunder the delivery of the instruments of conveyance to the Buyer and the payment of the purchase price to the Seller shall take place either in the City of Chicago, Illinois, or Pikeville, Kentucky, at a place to be designated by the Seller.

(13) Any notice or demand required or permitted to be given hereunder shall be sufficiently given by sending the same by mail or telegram to the Seller at 327 South LaSalle Street, Chicago, Illinois, or to the Buyer at Pikeville, Kentucky.

(14) This agreement shall be binding upon and inure to the benefit of the respective parties hereto and the respective successors and assigns, provided that it may not be assigned by the Buyer without the written consent of the Seller.

IN TESTIMONY WHEREOF, the party of the first part has caused this agreement to be executed by its President, and attested by its Secretary, both thereunto duly authorized, and the party of the second part has caused this agreement to be executed by its Mayor and attested by its City Clerk, both thereunto duly authorized, this, the day and year first above written

SOUTHERN PUBLIC SERVICE COMPANY

BY _____
President

ATTEST:

Secretary

CITY OF PIKEVILLE, KENTUCKY
(a Municipal Corporation)

By _____
Its Mayor

ATTEST:

A. S. Dammow
City Clerk

AAG976

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Section 2. The Mayor of the City of Pikeville is authorized to execute the above contract in the name of the City and in behalf of the City, and the City Clerk is authorized to attest same, when and as provided in said agreement.

SECTION 3. All ordinances or parts of ordinances in conflict herewith, but the extent of such conflict only, are hereby repealed.

SECTION 4. This ordinance was introduced by Councilman Hayes Jones, who moved that same be passed. Councilman Charles Childers seconded the motion that this ordinance be passed.

SECTION 5. An emergency is declared to exist and this ordinance may be passed at the same meeting at which same is introduced.

SECTION 6. This ordinance shall be effective from and after its passage, being signed by the Mayor and being posted according to law.

APPROVED: 14 day of Aug., 1940.

H. Pauley
H. Pauley, Mayor

ATTEST:

H. S. Damron City Clerk
H. S. Damron, City Clerk

PASSED: 14 day of Aug., 1940.

POSTED: 21 day of Aug., 1940.

H. S. Damron City Clerk
H. S. Damron, City Clerk

Vote on the above was as follows:

Hayes Jones - Yes	Charles Sowards - Yes	T. J. Howell - Yes
Charles Childers - Yes	W. S. Wells - Yes	G. C. Leslie - Yes

HAYES JONES INTRODUCED THE FOLLOWING ORDINANCE AND MOVED FOR ITS PASSAGE, CHARLES SOWARDS SECONDED SAID MOTION. AS FOLLOWS;

AN ORDINANCE AUTHORIZING THE CITY OF PIKEVILLE BY ITS DULY AUTHORIZED AGENTS TO ENTER INTO A CONTRACT WITH UNITED CARBON COMPANY, A CORPORATION, ET AL, FOR THE PURCHASE OF NATURAL GAS.

All six members being present and voted yes on the above ordinance.

ON MOTION OF HAYES JONES SAID MOTION SECONDED BY CHARLES SOWARDS, THE FOLLOWING ORDINANCE WAS PASSED,

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GAS DISTRIBUTION SYSTEM REVENUE BONDS OF THE CITY OF PIKEVILLE, KENTUCKY, FOR THE PURPOSE OF DEFRAYING THE COST OF ACQUIRING A MUNICIPAL GAS DISTRIBUTION SYSTEM FOR SAID CITY AND THEREAFTER CONSTRUCTING EXTENSIONS AND IMPROVEMENTS THERETO, PRESCRIBING THE FORM OF SAID BONDS AND PROVIDING FOR THE COLLECTION AND SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SUCH SYSTEM FOR THE PURPOSE OF SAFEGUARDING, PROTECTING AND PAYING SAID BONDS.

The vote on above ordinance as follows;

YES, G.C.Leslie, Charley Sowards, Charley Childers, Hayes Jones, W.S.Wells, & T.J.Howell, NAY, None.

ORDERED THAT:

Public Service Company, be allowed the sum of \$10.00 for payment on Pikeville Gas system. Payable out of General funds.

On motion duly made and carried, meeting was adjourned until Tuesday, Aug. 20, 1940, at 7-30- P.M.

APPROVED:

H. Pauley
Mayor.

ATTEST:

H. S. Damron
City Clerk.