

## **TRANSFER, ACCEPTANCE, AND ASSUMPTION OF ELECTRIC UTILITY FRANCHISE**

**NOW**, on this 5<sup>th</sup> day of June, 2018, FreeState Electric Cooperative, a Kansas corporation ("FreeState"), provides to the City of Lawrence, Kansas ("City"), the following Transfer, Acceptance, and Assumption of Electric Utility Franchise with respect to contract franchise Ordinance No. 7147 ("Franchise"), as amended by Ordinance No. 8080.

- 1.** FreeState agrees to all terms set forth in City of Lawrence, Kan., Res. No. 7253, approving the transfer and assignment of the Franchise, as amended, from Kaw Valley Electric Cooperative, Inc., ("Kaw Valley") to FreeState.
- 2.** FreeState acknowledges that the City expressly has not waived and does not waive its right to receive compliance with any term or condition of the Franchise, as amended. By executing this Transfer, Acceptance, and Assumption Electric Utility Franchise, FreeState unconditionally and unequivocally agrees to accept responsibility for and to remedy any future default or instance of material noncompliance under the Franchise, as amended.
- 3.** FreeState represents that it has reviewed the obligations of Kaw Valley and its performance under the Franchise, as amended, and has determined, to the best of its knowledge, that there are no existing issues of default or noncompliance under the Franchise, as amended.
- 5.** FreeState agrees it will be subject to all lawful regulatory authority as established by federal, state, and local law, regulation, or policy, including the Franchise, as amended.
- 6.** FreeState represents and warrants, as follows:
  - (a)** FreeState has the financial, technical, and legal ability to operate and to maintain a local electric franchise and that will service the City in accordance with the terms of the Franchise, as amended.
  - (b)** As of the time of closing of the transaction, FreeState shall be the franchisee under the Franchise, as amended, and shall have all rights and obligations arising thereunder.
  - (c)** FreeState will take all actions necessary to authorize and to execute and deliver to the City an executed copy of this Transfer, Acceptance, and Assumption of Electric Utility Franchise.
- 7.** FreeState further represents and warrants, as follows:

That, in accordance with Resolution No. 7253, it will negotiate in good faith with the City and enter, within a reasonable time thereafter, into a new nonexclusive contract franchise with the City, the terms of which will be substantially similar to the Franchise, as amended, and will replace the existing Franchise, as amended.

8. FreeState acknowledges that all of its agreements, representations, and warranties, as set forth herein, will be binding upon it and its lawful successors and assigns.
9. FreeState acknowledges that the person signing this document in its behalf has the authority, actual and apparent, to bind FreeState to this agreement.

Dated: 5/14/2018

**FREESTATE ELECTRIC COOPERATIVE, a  
Kansas Corporation**

  
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Christopher S. Parr  
Assistant General Manager