

City of Henderson, Kentucky
Board of Commissioners
Tuesday, January 27, 2026, 3:00 P.M.

Please take notice that as Mayor of the City of Henderson, Kentucky, I hereby call a meeting of the Board of Commissioners to be held on **Tuesday, January 27, 2026, at 3:00 p.m.**, with the primary location shall be designated as the third-floor assembly room, 222 First Street, Henderson, Kentucky. One or more members of the Board of Commissioners may participate via video teleconference and the meeting will be broadcast to the public. The meeting will be live streamed on the city's website: <https://www.hendersonky.gov/CivicMedia>; Facebook and You Tube.

This meeting will be conducted as a video teleconference meeting as allowed under KRS 61.826. Any interruption in the video or audio broadcast at any location shall result in the suspension of the meeting until the broadcast is restored.

The purpose of this meeting is for the following:

AGENDA

1. Roll Call:
2. Recognition of Visitors:
3. Appearance of Citizens:
4. Proclamations:
5. Presentations: Community Spotlight

 Henderson Economic Development and Henderson Chamber of Commerce

 Henderson Municipal Power & Light
6. Public Hearing:
7. Consent Agenda:
 Minutes: January 13, 2026, Regular Meeting
 January 20, 2026, Called Work Session
- Resolutions & Municipal Orders:
 Resolution Approving Human Resources Report Dated January 27, 2026

 Resolution Approving Kentucky Fire Commission Personal Protective Equipment Grant Application and Award for Fire Department
8. Ordinances, Municipal Orders & Resolutions:
 Second Readings: Ordinance Amending Chapter 17 – *Parks and Recreation* Relating to Parks Board Members

Please mute or turn off all cell phones for the duration of this meeting.

Ordinance Regarding Continuity of Government During State of Emergency

Ordinance Amending Chapter 7 – *Buildings and Building Regulations* Relating to Electrical Inspections

Ordinance Amending Budget and Appropriation Ordinance for FY2026

First Readings:

Ordinance Closing Public Right-of-Way Between 216 Highland Drive and 220 Turner Avenue

Ordinance Accepting Public Improvements – Gray Stone Subdivision

Municipal Orders:

Municipal Order Approving Gas Supply Contract with PEAK and Sale and Purchase Contract to Pratt Paper (KY), LLC

Municipal Order Accepting First Amendment to Natural Gas Transportation Agreement with Pratt Paper (KY), LLC

Municipal Order Approving Change Order #1 to Construction Agreement with ARC Construction – *Fire Station No. 1*

Municipal Order Authorizing Purchase of Used 2021 Dodge Ram 1500 Police Truck for Police Department

Municipal Order Approving Electrical Services Agreement

Resolutions:

Resolution Declaring 2007 Ditch Witch Horizontal Direction Drill and Accessories as Surplus Property

9. Bids & Contracts:

Municipal Order Awarding Bid for Mowing of City Cemeteries

Municipal Order Awarding Bid for Mowing of City Parks and Other Properties

10. City Manager's Report:

Purchase of Garbage Truck for Public Works Department

11. City Attorney's Report:

12. Unfinished Business:

13. Commissioner's Reports:

14. Appointments:

15. Miscellaneous:

16. Executive Session:

17. Adjournment:

Please mute or turn off all cell phones for the duration of this meeting.

City Commission Memorandum
26-32

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager DHW

SUBJECT: Presentations

Items scheduled under the Presentations section of the January 27, 2026, regular meeting agenda are as follows:

I. Community Spotlights

This award seeks to honor a member or members of our community whose efforts have made a lasting impact on the City of Henderson.

II. Henderson Economic Development and Henderson Chamber of Commerce

Ms. Missy Vanderpool, Executive Director of Henderson Economic Development, and Ms. Clay Gillham, Executive Director of Henderson Chamber of Commerce will be in attendance to discuss retail development.

III. Henderson Municipal Power & Light

Mr. Brad Bickett, General Manager of Henderson Municipal Power & Light, will be in attendance to give an update on the fiber rollout; their Cost of Service Study; and their Integrated Resource Plan.

City Commission Memorandum
26-24

January 21, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager DHW

SUBJECT: Consent Agenda

The Consent Agenda for the regular meeting of January 27, 2026, contains the following:

Minutes:

January 13, 2026, Regular Meeting

January 20, 2025, Called Work Session

Resolutions and Municipal Orders:

Resolution Accepting Human Resources Report Dated January 27, 2026, Approving all Actions Contained Within, and Authorizing the Mayor to Execute any Necessary Contracts for Employment

Municipal Order Authorizing Submittal of a FY2026 Personal Protective Equipment (PPE) Reimbursement Grant Application, in an Amount not to Exceed \$7,000.00, to the Kentucky Fire Commission, for the Purchase of Two Sets of Turnout Gear; Accepting Grant if Awarded; and Authorizing the City to Execute all Necessary Documents

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of A Regular Meeting on January 13, 2026

A meeting of the Board of Commissioners of the City of Henderson, Kentucky, was held on Tuesday, January 13, 2026, at 3:00 p.m., prevailing time, in the third floor Assembly Room of the Municipal Center, 222 First Street, Henderson, Kentucky, designated as the primary location for this video teleconference meeting allowed under KRS 61.826.

MAYOR STATON led the recitation of the Pledge of Allegiance to our American Flag.

There were present Mayor Bradley S. Staton presiding:

PRESENT:

Commissioner Kelsey Hargis
Commissioner Rodney Thomas
Commissioner Robert N. Pruitt, Sr.
Commissioner Nicholas E. Whitt

ALSO PRESENT:

Mr. Dylan Ward, City Manager
Mr. William L. "Buzzy" Newman, Jr., Assistant City Manager
Mrs. Dawn Kelsey, City Attorney
Ms. Donna Madden, Executive Assistant
Ms. Jessa Brandon, City Clerk
Mr. Josh Dixon, Fire Chief
Mr. Chad Moore, Assistant Fire Chief
Mr. Steve Davis, Code Administrator
Ms. Megan McElfresh, Human Resources Director
Ms. Jordan Webb, 911 Emergency Communications Director
Ms. Haley Guth, 911 Emergency Communications Officer
Ms. Chelsea Mills, Finance Director
Mr. Brian Williams, Public Works Director
Mr. Thomas Kenney, Parks & Recreation Director
Ms. Jenna Basham, Project Manager
Ms. Breasha Pruitt, Project Coordinator
Ms. Jeannie Quattrocchi, Project Coordinator
Mr. Billy Bolin, Police Chief
Mr. Robert "Bob" Shoultz, Deputy Police Chief
Mr. Bill Raleigh, IT Support Specialist
Mr. Victor Carson, IT Network Administrator I
Mr. James Elliott, Police Officer
Mr. Malcolm E. "Mac" Neel III, CPA, CFE, ATA-KY, PSC
Rev. Charles Johnson, Henderson Human Rights Commission, Executive Director
Ms. Missy Vanderpool, Henderson Economic Development, Executive Director
Mr. Kenny Garrett, Henderson Emergency Management, Executive Director
Mr. Bart Boles, Henderson Water Utility, General Manager
Mr. Wyatt Green, Henderson Water Utility, Utility System Worker I
Mr. Brad Bickett, HMP&L General Manager
Mr. Vince Tweddell, Publisher/Editor, *the Hendersonian*

PRESENTATION: "Dr. Martin Luther King Day of Celebration"

REVEREND CHARLES JOHNSON announced the Henderson City-County Human Rights Commission's upcoming event for Dr. Martin Luther King. Reverend Johnson shared that the Dr. Martin Luther King Day of Celebration will take place Monday, January 19, 2026 at 12:00p.m. at First United Methodist Church, and will include presentations such as: an address made by Reverend Dr. Mitchel O. Fort, Sr., Senior Pastor of Virginia Street Baptist Church and President of the Hopkinsville College of the Bible; music played by the Henderson County High School Choir, under the direction of Rebecca Robards; presentations given by Minister E.J. Simmons, Mayor Brad Staton, and County Judge Executive Brad Schneider, and Abraham Brown. He thanked the Commission for their support of the Human Rights Commission and the event.

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encountered near Braxton Park and The Bridges Golf Course. He reported that even as these unforeseen issues created the need for this change order, the total project still is able to be completed while remaining under the budgeted amount.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye: Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk _____

RESOLUTION NO. 02-26:

RESOLUTION APPROVING TERMINATION OF INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF HENDERSON, HENDERSON COUNTY, WEBSTER COUNTY, AND UNION COUNTY WHICH ESTABLISHED A SOLID WASTE RECYCLING ALLIANCE WITH TRI-COUNTY RECYCLING ALLIANCE, INC. AS THE ADMINISTERING AGENCY; AND AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS TO EFFECTUATE THE DISSOLUTION OF TRI-COUNTY RECYCLING ALLIANCE, INC.

MOTION by Commissioner Pruitt, seconded by Commissioner Hargis, to approve the termination of the Interlocal Cooperation Agreement between the City of Henderson, Henderson County, Webster County, and Union County, which established a Solid Waste Recycling Alliance with Tri-County Recycling Alliance, Inc., as the administering agency; and authorizing the mayor to execute all necessary documents to effectuate the dissolution of Tri-County Recycling Alliance, Inc.

MAYOR STATON clarified that the former agreement is being dissolved to exclude the counties that are no longer utilizing the facility. He continued by explaining that no existing services will be affected by the change.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye: Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the resolution adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk _____

RESOLUTION NO. 03-26:

RESOLUTION AUTHORIZING THE ACCEPTANCE BY CITY OF HENDERSON QUITCLAIM DEEDS FROM KANE BENTLEY FOR PROPERTY LOCATED AT 1400 HELM STREET AND 1604 WASHINGTON STREET PURSUANT TO THE FORFEITURE ORDER ENTERED BY THE HENDERSON CIRCUIT COURT IN CIVIL ACTION NO. 24-CR-00415

MOTION by Commissioner Thomas, seconded by Commissioner Whitt, to authorize the acceptance by City of Henderson Quitclaim Deeds from Kane Bentley for property located at 1400 Helm Street and 1604 Washing Street pursuant to the forfeiture order entered by the

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Henderson County Circuit Court in Civil Action No. 24-CR-00415.

MAYOR STATON suggested that the City consider utilizing the 1400 Helm Street property for the Inner City Improvement Plan's Henderson Encouraging Resident Officers (H.E.R.O.) Project.

DAWN KELSEY, City Attorney, reported that the City is still awaiting a quitclaim deed for one of the properties.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas--- Aye: Commissioner Whitt ----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the resolution adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk

MUNICIPAL ORDER NO. 04-26:

MUNICIPAL ORDER APPROVING APPOINTMENT OF DOUG BOOM AS THE PROJECT ENGINEER AND AUTHORIZING MAYOR TO EXECUTE EMPLOYMENT AGREEMENT ON BEHALF OF CITY

MOTION by Commissioner Hargis, seconded by Commissioner Whitt, to approve the appointment of Doug Boom as the Project Engineer and to authorize the mayor to execute the employment agreement on behalf of the City.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas--- Aye: Commissioner Whitt ----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk

MUNICIPAL ORDER NO. 05-26:

MUNICIPAL ORDER RESCINDING MUNICIPAL ORDER 82-25 AUTHORIZING THE PURCHASE OF BATTERY-OPERATED EXTRICATION TOOLS FOR THE FIRE DEPARTMENT'S NEW LIGHT-DUTY RESCUE APPARATUS FROM P&L RESCUE SERVICES OF HENDERSON, KENTUCKY, IN THE AMOUNT OF \$49,275.00

MOTION by Commissioner Pruitt, seconded by Commissioner Thomas, to rescind Municipal Order 82-25 authorizing the purchase of battery-operated extrication tools for the fire department's new light-duty rescue apparatus from P&L Rescue Services of Henderson, Kentucky, in the amount of \$49,275.00,

DISCUSSION WAS HELD to clarify the reason for rescinding the aforementioned Municipal Order in conjunction with the upcoming introduction of Municipal Order 06-26 was due to a restructuring of the company, from which the City has historically ordered from due to the limited number of dealers for the necessary equipment. As the company was restructured, the salesman assigned to the territory for the City of Henderson was found to be a city

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employee. To avoid potential conflict, the Commission thought it appropriate to purchase from another sales channel, and to more tightly increase controls pertaining to procurement to avoid future issues of the same nature.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye: Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk _____

MUNICIPAL ORDER NO. 06-26:

MUNICIPAL ORDER AUTHORIZING THE PURCHASE OF BATTERY-OPERATED EXTRICATION TOOLS FOR THE FIRE DEPARTMENT'S NEW LIGHT-DUTY RESCUE APPARATUS FROM HOWELL RESCUE SYSTEMS OF DAYTON, OHIO, IN THE AMOUNT OF \$49,275.00

MOTION by Commissioner Hargis, seconded by Commissioner Pruitt, to authorize the purchase of battery-operated extrication tools from the fire department's new light-duty rescue apparatus from Howell Rescue Systems of Dayton, Ohio, in the amount of \$49,275.00.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye: Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton
Bradley S. Staton, Mayor
January 13, 2026

ATTEST:

Jessa Brandon, City Clerk _____

MUNICIPAL ORDER NO. 07-26:

MUNICIPAL ORDER AWARDING BID FOR PURCHASE OF FOUR (4) NEW 2026 FORD INTERCEPTORS FOR HENDERSON POLICE DEPARTMENT FROM VOGLER MOTOR COMPANY FROM 1170 E MAIN ST, CARBONDALE, IL 62901 IN THE AMOUNT OF \$186,262.88

MOTION by Commissioner Whitt, seconded by Commissioner Pruitt, to award the bid for purchase of four new 2026 Ford Interceptors for Henderson Police Department from Vogler Motor Company from 1170 E. Main Street, Carbondale, IL 62901 in the amount of \$186,262.88.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye: Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:

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WHEREUPON, Mayor Staton declared the municipal order adopted, affixed his signature and the date thereto, and ordered that the same be recorded.

/s/ Bradley S. Staton

Bradley S. Staton, Mayor

January 13, 2026

ATTEST:

Jessa Brandon, City Clerk

CITY MANAGER'S REPORT: "Rezoning #1181 –1500 Madison Street (.296 acres)"

DYLAN WARD, City Manager, reported that the Planning Commission has acted upon the request for rezoning for property located at 1500 Madison Street (PID# 56E-55 and 56E-56), containing approximately .296 acres, rezoned from General Business (GB) to Agricultural (AG) after conducting public hearings and producing findings of fact at the January 6, 2026 meeting. The Zoning Map Amendments shall become final on Wednesday, January 28, 2025 unless an aggrieved party or the Board of Commissioners files written notice with the Planning Commission within the allotted twenty-one-day time period to have the Board of Commissioners make the final decision. The deadline for filing written notice is January 27, 2025.

CITY MANAGER REPORT: "Naming of Facility"

DYLAN WARD, City Manager, reported that a name had been proposed for the former HMP&L Building at 100 5th Street, as it is now intended to be utilized to facilitate the offices for Code Enforcement, Parks and Recreation, and Occupational License Tax. The new name for the building, if no objection, will be The Annex.

THE BOARD OF COMMISSIONERS indicated their support for the proposed name, and it was determined that no formal action was needed to move forward in referring to the building at 100 5th Street as, "The Annex."

CITY MANAGER REPORT: "Storm Siren Update"

KENNY GARRETT, Henderson County Emergency Management Director, reported that during a storm event between Christmas and New Year's of 2025, a storm caused a transmitter at the hospital, which is responsible for setting off the storm sirens when activated by Henderson 911 Dispatch Officers. Upon receiving a call and performing quick troubleshooting, Mr. Garrett was able to reroute the signal through another channel and activate the storm sirens within 40 minutes of the initial notification of failure. As the event took place during the weekend after Christmas on Sunday, a team of qualified individuals went to the hospital the following Monday to examine the equipment. Upon inspection, the emergency equipment was then separated from the hospital's equipment in the same location, and moved to a new location, with a battery backup system installed to prevent future issues. Mr. Garrett indicated that he would like to modify the alerting system for storms to remediate complacency in the event of siren activation. To accomplish this, Mr. Garrett proposed only activating the sirens when a severe thunderstorm has reached the third and highest level, which consists of 80 mph wind speed and 2.75-inch hail, as opposed to the current practice of activating the sirens at the lowest level, which consists of 58 mph wind speeds. Mr. Garrett shared that as most of our storms are within the first level of classification, making the proposed change will eliminate the frequency of sirens, and as a result, reduce complacency. Mr. Garrett also shared a proposal for a new management software that will control the sirens, allowing for geofencing and more accurate weather alerting to ensure that sirens are only being activated in areas where the corresponding alert is relevant. Mr. Garrett explained that the Henderson County Fiscal Court approved the purchase for a new computer system and the aforementioned software, which will be installed within the following weeks, and will be shared with citizens of Henderson City and County via a public awareness campaign, utilizing the partnership of Public Relations Director, Holli Blanford. Mr. Garrett shared that he'd like to see increased use of weather radios, phone apps, news media, and other more accessible, reliable, and real-time informational weather

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reporting technology as opposed to reliance on storm sirens; and that the new system will include a lightning detection system as well.

DISCUSSION WAS HELD regarding the severity of the storm sirens failing and what potential controls could be put into place to ensure that similar issues do not repeat in the future. It was suggested that 911 Emergency Communications Personnel could be cross-trained to complete the channel-switching operation that Kenny Garrett performed on the day of the aforementioned storm event and concurrent siren failure, which effectively fixed the issue by bypassing the failed transmitter. Discussion of potentially reinstating the weekly siren system tests on Fridays at noon was held as well, with the point arising that the tests would allow for residents to report issues to the City as well. The resolution was determined to require further conversation in the future to mitigate recurring issues.

CITY MANAGER REPORT: "Storm Siren Update"

DYLAN WARD, City Manager, announced that the annual Strategic Planning Session held at the U.K. Extension Office on Zion Road will be held January 20, 2026, during which department heads and elected officials will be encouraged to attend, share their accomplishments and goals, and plan ahead for the future of the City.

BOARD/COMMISSION RE-APPOINTMENT: "City-County Airport Board" Kimber Heddens – Passed Away, Term Expired January 5, 2026

MOTION by Commissioner Thomas, seconded by Commissioner Hargis, upon recommendation of Mayor Staton, to appoint Chris Hopgood to a 4-year term on the Code Enforcement Board. Said term to expire January 13, 2030.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye:	Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye:	Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:	

COMMISSIONER PRUITT announced that his son will be singing at the Atlanta Hawk's game on the 19th.

EXECUTIVE SESSION: "Property & Litigation"

MOTION by Commissioner Thomas, seconded by Commissioner Pruitt, that the Board of Commissioners go into Executive Session pursuant to the KRS 61.810(1)(b) for discussion relating to future acquisition of real property in the vicinity of Atkinson Street and Clay Street; pursuant to KRS 61.810(1)(g) for discussions between a public agency and a representative of business entity and discussions concerning a specific proposal if open discussions would jeopardize the siting, retention, expansion, or upgrading of the business.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye:	Commissioner Pruitt----- Aye:
Commissioner Thomas --- Aye:	Commissioner Whitt----- Aye:
Mayor Staton ----- Aye:	

WHEREUPON, Mayor Staton declared the Board adjourned into Executive Session.

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MEETING RECONVENED:

MOTION by Commissioner Pruitt, seconded by Commissioner Hargis, that the Board of Commissioners reconvene into regular session.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas--- Aye: Commissioner Whitt ----- Aye:
Mayor Staton ----- Aye:

WHEREUPON, Mayor Staton reconvened the Board into regular session.

MEETING ADJOURN:

MOTION by Commissioner Thomas, seconded by Commissioner Whitt, to adjourn the meeting.

The vote was called. On roll call, the vote stood:

Commissioner Hargis----- Aye: Commissioner Pruitt----- Aye:
Commissioner Thomas--- Aye: Commissioner Whitt ----- Aye:
Mayor Staton ----- Aye:

WITHOUT OBJECTION, Mayor Staton declared the Meeting adjourned at approximately 5:26 p.m.

ATTEST:

Bradley S. Staton, Mayor
January 27, 2026

Jessa Brandon, City Clerk

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Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on* January 20, 2026

A Called Work Session/Strategic Goal Planning of the Board of Commissioners of the City of Henderson, Kentucky, was held on Tuesday, January 20, 2026, at 9:00 a.m., prevailing time, at the Henderson County UK Extension Office located at 3341 Kentucky Highway 351, Henderson, Kentucky.

There were present Mayor Bradley S. Staton presiding:

PRESENT:

Commissioner Kelsey Hargis
Commissioner Rodney Thomas
Commissioner Robert N. Pruitt
Commissioner Nicholas Whitt

CITY STAFF MEMBERS included: Dylan Ward, City Manager; William L. “Buzzy” Newman, Jr., Assistant City Manager; Dawn Kelsey, City Attorney; Donna Madden, Executive Assistant; Jessa Brandon, City Clerk; Holli Blanford, Public Relations Director; Chelsea Mills, Finance Director; Dawn Winn, Assistant Finance Director; Megan McElfresh, Human Resources Director; Brian Williams, Public Works Director; Thomas Kenney, Parks, Recreation & Cemeteries Director; Chris Stachewicz, Parks, Recreation & Cemeteries Superintendent; Jenna Basham, Project Manager; Breasha Pruitt, Project Coordinator; Jeannie Quattrocchi, Project Coordinator; Crystal Windhaus, Mass Transit Superintendent; Greg Nunn, Information Technology Director; Travis Owens, Assistant Information Technology Director; Robert “Bob” Shoultz, Deputy Police Chief; Josh Dixon, Fire Chief; Chad Moore, Assistant Fire Chief; Tim Clayton, Gas System Director; Jordan Webb, 911 Emergency Communications Director; Steve Davis, Code Administrator.

ALSO PRESENT: Brad Bickett, Henderson Municipal Power & Light General Manager; Bart Boles, Henderson Water Utility General Manager

EACH DEPARTMENT DISCUSSED PROGRESS, GOALS, & CAPITAL EXPENDITURES:

Mayor Brad Staton

- Recognized staff for infrastructure work, leak reduction, and major capital projects
- Advocating at state and federal levels for:
 - Grants to match federal funds
 - Keeping both Twin Bridges open and toll-free
 - Census and infrastructure funding
- Major growth expected along Hwy 60 (Wathen Ln → new roundabouts)
- Priorities:
 - Retail and economic development (Barret Blvd & Hwy 60)
 - Traffic safety, striping, and signage improvements
 - Driver education collaboration with schools
 - Parks Master Plan (focus on teens, seniors, and revenue-generating amenities)
 - ICIP continuation and public engagement
 - Planning/zoning code modernization (2026–27)

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Record of Minutes of Called Work Session/Strategic Goal Planning Meeting on January 20, 2026

Bart Boles – Henderson Water Utility (HWU)

2025 Goal Progress & Completed Projects

- **NWTP High Service Pump Project**
 - Replaced three high-service pumps, backwash pump VFD, and associated electrical components at the North Water Treatment Plant.
- **Water Meter Replacement Program**
 - Completed final phase of residential meter replacement begun in 2021.
 - Total of **11,500 water meters replaced**, enabling hourly usage monitoring to more quickly identify leaks.
 - Program may be expanded to allow customers to view daily usage.
- **Workforce Expansion**
 - Increased staffing to **85 employees**, improving staffing levels from 85% to 95%.
 - Acknowledged HR's support in recruitment.
- **NWWTP Biosolids Project – Phase I**
 - Began Phase I of a **\$5.3 million, three-phase project** to modernize sludge treatment at the North Wastewater Treatment Plant.
- **Countryview Stormwater Phase IV**
 - Continued successful stormwater improvements in the Countryview subdivision.
 - Cost-shared with the City; completion expected **summer 2026**.
- **Washington / Vine Water & Sewer Main Project**
 - Completed a project initiated over 10 years ago, with final design completed in 2023 and construction completed in late 2025.
 - Installed **1.5+ miles of new water and sewer mains** on Washington, Alvasia, Clay, and Powell Streets.
- **Presidential Pump Station Removal**
 - Removed the pump station and installed new gravity sewer main (Fall 2025).
 - Increased sewer capacity for the Sportsplex, Carriage Mobile Home Park, and Bent Creek Subdivision.
 - **\$1 million project.**
- **Wright Street Pump Station & Sewer Main**
 - New pump station and sewer main along Wright Street and portions of Atkinson Street.
 - Completion expected **May 2026**.
 - Supports Elevate development along Old Madisonville Road and improves East End sewer infrastructure.

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- ~\$700,000 project.
- **I-69 Water & Sewer Main Relocations**
 - All required relocations completed.

Significant Capital Projects Identified

- **South Raw Water Intake Project**
 - Received **\$1 million federal grant** to begin Phase I of an **\$8.5 million project**.
 - Includes construction of a new south raw water intake and 6,000 feet of pipeline to the South Water Treatment Plant.
- **NWWTP Biosolids Project – Phase II**
 - Estimated cost: **\$2 million**.
- **Stormwater Investment Expansion**
 - Increased focus and funding following **80-year flood events in 2025**, which exposed system vulnerabilities.
- **Bridges Golf Course Lake Stormwater Project**
 - Entered design phase to reroute a failing ditch that is draining the lake and exposing sewer mains.
 - Construction and bidding anticipated in **2026**.
- **Lead & Copper Service Line Replacement**
 - Compliance with new EPA and KDOW regulations.
 - Replacement of **2,000 galvanized service lines** over an 11-year EPA-allowed timeframe.
 - **\$250,000 requested in the budget** to proactively address requirements.

Goals & Strategic Priorities

- Succession planning (**6 upper-management retirements** anticipated within 5 years)
- Maintain a stable, well-trained, and reliable workforce
- Continued emphasis on safety
- Complete engineering to eliminate the Gardenside Pump Station and install gravity sewer mains to support commercial growth
- Secure funding through local, state, and federal sources
- Coordinate with City Engineer on convention center water and sewer extensions
- Ensure compliance with all state, local, federal, and EPA regulations
- Increase field staff licensing and certification, particularly **Water and Wastewater Plant Operator II licenses**

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Brad Bickett – Henderson Municipal Power & Light (HMP&L)

- Safety focus: zero reported injuries
- Major infrastructure highlights:
 - 131 utility poles replaced
 - Substation expansions and solar interconnection (50 MW project)
 - Bentley Pointe fiber Phase I complete; Phase II planned
 - Underground conversion of Soaper Alley block
- Customer-focused initiatives:
 - New outage system & map (Hometown Grid)
 - AMI customer dashboards/apps
 - HVAC rebate & energy efficiency programs
 - Demand response program
- Long-term planning:
 - New power contracts (2027+)
 - Substation land acquisition & transformer purchase
 - Replace 200+ more transmission poles

Tim Clayton – Henderson Municipal Gas (HMG)

- 2025 accomplishments:
 - 85 new services installed
 - 90 gas line replacements
 - Bentley Pointe regulator station completed
- 2026 goals:
 - Large Main St replacement project (in-house)
 - Bentley Pointe Phase II
 - Watson Lane utility coordination
- Budget needs:
 - New backhoe and crew truck
- PEAK partnership generating savings and ~\$1.5M additional revenue

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Holli Blanford

- Social media growth:
 - Engagement up 30%
 - Facebook content viewed 3.9M times
- Website improvements (BOC info, accessibility)
- Award-winning PAFR with Finance
- Goals:
 - Stronger email communications
 - Consistent city branding
 - More behind-the-scenes employee storytelling
- 2026:
 - IRT medical response funding (regional partnership)

Bob Shoultz – Police Department

- Crime reductions across multiple categories
- SROs now in every school (retiree model saves costs)
- Staffing:
 - Lateral hires, academy recruits, nearing full staffing
- Technology:
 - Flock camera system expanded (proven success)
- Capital priorities:
 - Armored BearCat vehicle (grant + partnerships)
 - Replacement vehicles for SROs

Thomas Kenney & Chris Stachewicz – Parks & Recreation

- Implementing Parks Master Plan
- New programs and pop-up events
- Facility upgrades (playgrounds, restrooms, shelters)
- Exploring:
 - Ice skating
 - Kayak/paddleboard rentals
 - Trackless train for events

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on January 20, 2026*

- Strengthening Parks Board involvement
- Strong focus on grants, partnerships (“GAPS”)

Jordan Webb – 911 Emergency Communications / Dispatch

- CAD system grant secured; rollout expected March
- 911 phone system replacement (text, video, ESInet-ready)
- Hiring improvements with multitasking assessments
- Expanded professional development and training
- Promoting Text-to-911 for domestic violence safety

Chelsea Mills & Dawn Winn – Finance

- Triple Crown awards (Audit, Budget, PAFR)
- Clean 2025 audit
- Goals:
 - Promote electronic billing & payments
 - Review utility billing delivery options
 - Strengthen finance policies across departments
- Managing \$12–14M in KLC investment pool

Brian Williams – Public Works

- Sanitation modernization:
 - Automated trucks, potential in-house recycling (save ~\$260K/year)
- Transfer station relocation & landfill closure progress
- Street, alley, sidewalk, and paving improvements expanded
- HVAC replacements across city facilities
- Focus on scalable infrastructure as city grows

Josh Dixon & Chad Moore – Fire Department

- 3,868 runs; 10,000+ training hours
- Equipment:
 - New pumper ordered (delivery 2027)
 - Rescue truck and dive trailer added

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on January 20, 2026*

- Fire Science Pathway launched with schools
- ISO improvements and pre-planning (300+ sites)
- Key goals:
 - Full-time Fire Science instructor
 - Increase ladder truck staffing
 - Long-term Station II replacement planning

Dawn Kelsey – City Attorney

- 458 Open Records in 2024
- 591 Open Records in 2025
- Goal: Mass Foreclosure Filings
 - Alves Street deed hopefully filed by March 2026 on burned structure

Jenna Basham – Project Management

- Over \$1M in grants secured
- Projects:
 - Airport runway extension
 - Sidewalk improvements
 - Anthony Brooks Park (splash pad, restrooms)
 - Boat dock project (design/permitting)
 - New Fire Station (by end of 2026)
- Continuing ICIP, trail grants, convention center access road

Megan McElfresh – Human Resources

- 97 hires; 9 retirements
- Strong benefits management (no premium increases)
- Deaconess At Work Clinic utilization success
- Pay equity corrections completed
- Goals:
 - Policy updates
 - Insurance cost containment
 - Employee surveys and retention strategies

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on January 20, 2026*

Dylan Ward on behalf of M. McFadden – Safety & Training

- MOD Rating for workers comp. has improved and a discount is being received
- Renewed Drug-Free Workplace Certification
- Monthly Management Training Session implemented
- Hosted 3 Financial Literacy Classes
- Goals:
 - Update Safety Data Sheets
 - Rollout 5 Pillars of Wellness

Greg Nunn & Travis Owens – Information Technology (IT) Department

- Added The Annex to City's network
- Begun security camera replacement and modernization
 - Installed on HART buses
- Relocated server rooms to create additional office space for Finance
- Migrated to ESET Cyber Awareness Training Platform to minimize cyber security threats
- Migration of most employees to a unified time and attendance software
 - Will be working with the Police Department next
- Goals:
 - Migrate and update network file storage
 - Power supplies replacement
 - Migrating from Exchange server to cloud services
 - Business Portal for Code Enforcement & Occupational License

Steve Davis – Code Enforcement

- 475 inspections; 9 demolitions
- Letcher St transformation through blight removal
- Updating zoning, parking, and fence ordinances
- Focus on sustaining redevelopment momentum

Breasha Pruitt – Project Coordinator, CDBG

- \$231K–\$250K annual HUD funding
- 5-year plan completed

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on January 20, 2026*

- Increased public engagement
- Projects:
 - 503 Plum St housing
 - Sidewalks in low-income areas
 - Anthony Brooks Park playground
- Goals:
 - CDBG certification (recently obtained)
 - New housing assistance programs
 - Stronger nonprofit partnerships
 - Strategic use of remaining COVID funds

Crystal Windhuas – Mass Transit (H.A.R.T.)

- Fleet upgrades (buses, vans, cameras)
- 2025 ridership:
 - 77,000 regular riders
 - 7,000 paratransit
- 2026 goals:
 - Route expansion with growth
 - New bus purchase
 - Branding updates
 - Increased ADA accessibility

Jessa Brandon – City Clerk

- Created spreadsheets to expedite processes such as distribution of legislation, minutes, cemetery management, etc.
- Digitally combined indexes for decades of legislation of the same nature for faster searches
- Reorganization of Boards and Commissions, to include:
 - Sending Correspondence to the 50 names on the list of interested candidates
 - Creating new application form, which includes qualifiers
 - Creating new system for communicating with residents who express interest in joining

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on January 20, 2026*

- Comparing Inner City Improvement Plan Project Proposals to actions taken to track progress and assisting with overall initiative
- Goals:
 - Eliminate card filing system utilized for cemeteries, duplication of records; and synchronize data with Cemetery Office, creating digital files
 - Create deeds and leases binder for the City, including properties owned, leased, facility use agreements, and purchase agreements
 - Continue to restructure boards and commissions, making the application to participation process more streamlined and assisting residents in their goals of being more community-involved.

Dylan Ward – City Management

- Major leadership transitions completed
- 2026 priorities:
 - Succession planning (Engineer, ACM)
 - Policy modernization
 - Economic development (airport, Barrett Blvd, Bentley Farms)
 - Internal efficiency via new tech tools
 - Fire Station II planning
 - Potential TIF district discussion

Commission Goals (Summary)

- **Affordability** (housing, utilities, taxes)
- **Safety** (police, fire, traffic)
- **Economic development**
- **Collaboration with staff**
- **Quality of life improvements**
- **Respectful, responsive city services**
- **Boat Dock**
- **HERO House**
- **Inner City Improvement Plan fruition**

CITY OF HENDERSON – RECORD BOOK

Record of Minutes of Called Work Session/Strategic Goal Planning *Meeting on* January 20, 2026

NO FORMAL ACTION WAS TAKEN BY THE BOARD OF COMMISSIONERS.

MEETING ADJOURN:

MOTION by Commissioner Thomas, seconded by Commissioner Pruitt to adjourn.

The vote was called. On roll call, the vote stood:

Commissioner Hargis	Aye:	Commissioner Pruitt	Aye:
Commissioner Thomas	Aye:	Commissioner Whitt	Aye:
Mayor Staton	-----	Aye:	

WITHOUT OBJECTION, Mayor Staton declared the work session adjourned at approximately 2:00 p.m.

ATTEST:

Jessa Brandon, City Clerk

Bradley S. Staton, Mayor
January 27, 2026

City Commission Memorandum
26-25

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Resolution Approving Human Resources Report

The accompanying resolution approves the Human Resources Report dated January 27, 2026.

The Human Resources Report will serve to ensure the Board of Commissioners is fully aware of the status of employment positions including new hires, position changes, recent separations, and current vacancies within the City's workforce. A draft of the Human Resources Report is attached to the Resolution.

Your approval of the attached resolution is requested.

c: Megan McElfresh
Dawn Kelsey

Human Resources Memorandum
26 – 02

January 21, 2026

TO: Dylan Ward, City Manager

FROM: Megan McElfresh, Human Resources Director

SUBJECT: HR Report for the January 27, 2026 Commission Meeting

Attached is Human Resources report for the referenced Board of Commission meeting.

Megan McElfresh

Megan McElfresh
Human Resources Director

Attachment

Board of Commission HR Report - 1.27.26

NEW HIRES and POSITION CHANGES

Name	Department	Job Title	Date
------	------------	-----------	------

**delineates new employees*

SEPARATIONS

Name	Department	Job Title	Date
Jeff Crafton	Fire	Fire Captain	1/31/2026

CURRENT JOB POSTINGS

Administration	Mass Transit Engineering	Bus Operator Engineer
Emergency Communications		Communications Officer
Fire		Lateral Firefighter
Gas		Gas System Equipment Operator
Henderson Water Utility	Systems Operation Center	Utility System Worker I Utility System Worker II Utility System Worker III
Police		Lateral Police Officer Police Officer (Testing on 1/31/2026)
Parks & Recreations	Atkinson Pool	Aquatics Supervisor - Seasonal Cashier - Seasonal Lifeguard - Seasonal Senior Lifeguard - Seasonal

www.governmentjobs.com/careers/cityofhenderson

RESOLUTION NO. _____

**RESOLUTION ACCEPTING HUMAN RESOURCES REPORT
DATED JANUARY 27, 2026, AND APPROVING ALL
ACTIONS CONTAINED WITHIN**

WHEREAS, Human Resources provides an important function for the City of Henderson in the hiring and separation of employees; and

WHEREAS, the employees of the City are the lifeline for the efficient operation of the City in the service of its citizens; and

WHEREAS, the attached Human Resources Report dated January 27, 2026, serves to ensure the Board of Commissioners is fully aware of the status of employment positions including new hires, position changes, recent separations, and current vacancies within the City's workforce.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that the attached Human Resources Report dated January 27, 2026, is accepted, and all actions contained within are hereby approved.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the Resolution adopted, affixed his signature and the date thereto and ordered that the same be recorded.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 21ST DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey, City Attorney

RESOLUTION NO.

Board of Commission HR Report - 1.27.26

NEW HIRES and POSITION CHANGES

Name	Department	Job Title	Date
------	------------	-----------	------

**delineates new employees*

SEPARATIONS

Name	Department	Job Title	Date
Jeff Crafton	Fire	Fire Captain	1/31/2026

CURRENT JOB POSTINGS

Administration	Mass Transit Engineering	Bus Operator Engineer
Emergency Communications		Communications Officer
Fire		Lateral Firefighter
Gas		Gas System Equipment Operator
Henderson Water Utility	Systems Operation Center	Utility System Worker I Utility System Worker II Utility System Worker III
Police		Lateral Police Officer Police Officer (Testing on 1/31/2026)
Parks & Recreations	Atkinson Pool	Aquatics Supervisor - Seasonal Cashier - Seasonal Lifeguard - Seasonal Senior Lifeguard - Seasonal

www.governmentjobs.com/careers/cityofhenderson

City Commission Memorandum
26-26

January 20, 2026

TO: Mayor Bradley S. Staton the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Kentucky Fire Commission FY2026 Personal Protective Equipment Grant

The accompanying resolution authorizes the application for, and acceptance of, grant funds from the Kentucky Fire Commission through the Personal Protective Equipment Grant Program, in the amount up to \$7,000.00, or as determined by the Kentucky Fire Commission.

The Personal Protective Equipment grant program is established to provide grants to qualifying departments for the purchase of NFPA 1971, 2018 edition structural firefighting protective equipment. This is a reimbursement grant for up to \$7,000.00 for two (2) sets of turnout gear (only coats and pants). If awarded, the fire department will be responsible for the upfront costs and reimbursement when the required documentation is submitted to the Fire Commission. The deadline to submit documents for reimbursement is May 29, 2026.

The grant funds, if awarded, will be used to purchase two (2) sets of turnout gear (coats and pants

The deadline for this grant application is January 30, 2026. This grant has no requirement for matching funds.

Your approval of the attached resolution is requested.

c: Josh Dixon
Chelsea Mills
Dawn Winn

Fire Department Memorandum
26-02

January 9, 2026

TO: Dylan Ward, City Manager

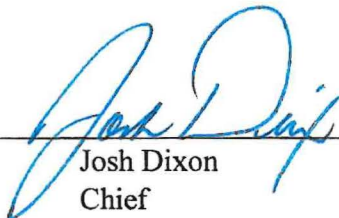
FROM: Josh Dixon, Fire Chief

SUBJECT: Kentucky Fire Commission Personal Protective Equipment Grant

I am writing to formally request permission to apply for the Kentucky Fire Commission Personal Protective Equipment Grant for FY2026. This grant provides reimbursement of up to \$7000.00 for the purchase of two sets of turnout gear (coats and pants).

If awarded our department will initially cover the upfront costs, with reimbursement provided upon submission of all required documentation to the Fire Commission.

This grant aligns with our ongoing cancer prevention initiative by enabling us to equip our firefighters with two sets of turnout gear that comply with NFPA guidelines.



Josh Dixon
Chief



MEMORANDUM

TO: Kentucky Fire Departments

FROM: Carrie Wilburn, Director of Operations

DATE: January 5, 2026

RE: Personal Protective Equipment Grant (structural coats and pants)

If your department is interested in applying for a PPE Grant (coat/pants) to be awarded Fiscal Year 2026, here are the steps to access the application:

1. Log into KyFIRES
2. On the left menu bar, select Webforms and Resources
3. Select WebForms
4. Select FY2026 Personal Protective Equipment Grant Application

Application may only be completed and submitted by authorized KyFIRES users (i.e. those who are able to enter training and personnel records).

DEADLINE: January 30th, 2026 at 5:00 pm EST. NO EXCEPTIONS.

This is a reimbursement grant for up to \$7000.00 for 2 sets of turnout gear (only coats and pants). If your department is awarded a grant, the department will be responsible for the upfront costs and reimbursed when the required documentation is submitted to the Fire Commission. The deadline to submit documents for reimbursement will be May 29th, 2026. After this date, no reimbursements will be issued.

For your application to be considered by the Grants Committee, your application must be received by the deadline. Additionally, departments must also be compliant with State Aid, the Department for Local Government and any other Fire Commission grants or loans the department has received.

Please send questions to firegrants@kctcs.edu.

MUNICIPAL ORDER _____

MUNICIPAL ORDER AUTHORIZING SUBMITTAL OF A FY2026 PERSONAL PROTECTIVE EQUIPMENT (PPE) REIMBURSEMENT GRANT APPLICATION, IN AN AMOUNT NOT TO EXCEED \$7,000.000, TO THE KENTUCKY FIRE COMMISSION, FOR THE PURCHASE OF TWO SETS OF TURNOUT GEAR; ACCEPTING GRANT IF AWARDED; AND AUTHORIZING THE CITY TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, the Personal Protective Equipment Grant Program is established to provide grants to qualifying departments for the firefighting protective equipment; and

WHEREAS, the Kentucky Fire Commission is accepting FY2026 Personal Protective Equipment (PPE) Grant Applications for the purchase of qualifying PPE which is a reimbursement grant for up to \$7,000 for two (2) sets of turnout gear (only coats and pants).

NOW THEREFORE, BE IT RESOLVED, that the City of Henderson, Kentucky, authorizes the submittal of a FY2026 Personal Protective Equipment (PPE) Grant Application to the Kentucky Fire Commission for two (2) set of turnout gear; and the City is authorized to execute all necessary documents, if awarded.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 8th DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey
City Attorney

City Commission Memorandum
26-20

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager DHW

SUBJECT: Ordinance Amending Chapter 17-*Parks and Recreation* Relating to Parks and Recreation Board

An item for the agenda of the Tuesday, January 27, 2026, regular meeting is the final reading of an ordinance amending Chapter 17-*Parks and Recreation* of the Code of Ordinances relating to the Parks and Recreation Board.

Pursuant to KRS 97.425 to 97.485, the City may establish a Board of Park Commissioners to serve in an advisory capacity to the Board of Commissioners on parks and recreation programs and projects.

The proposed amendments will be to Section 17-25, *Created; composition*, Section 17-26 *Terms of Members*, Section 17-27 *Designation and term of President, Vice-President and Secretary* of Article II-*Parks and Recreation Board* of Chapter 17-*Parks and Recreation* of the Code of Ordinances of the City of Henderson, to revise member terms to ensure staggered continuity, update officer titles to President and Vice President, add a Secretary position, and expand the Board from five (5) to seven (7) members. These changes align the ordinance with statutory terminology, enhance citizen participation, and strengthen advisory capacity. The Board will also serve as the City's Tree Board.

Your approval of the attached ordinance is respectfully requested.

c: Dawn Kelsey
Thomas Kenney

ORDINANCE NO. 01-26

ORDINANCE AMENDING CHAPTER 17–*PARKS AND RECREATION*,
ARTICLE II–*PARKS AND RECREATION BOARD*

SUMMARY: AN ORDINANCE AMENDING SECTION 17-25, *CREATED*; COMPOSITION, SECTION 17-26 *TERMS OF MEMBERS*; SECTION 17-27 *DESIGNATION AND TERM OF PRESIDENT, VICE-PRESIDENT, AND SECRETARY* OF ARTICLE II–*PARKS AND RECREATION BOARD* OF CHAPTER 17–*PARKS AND RECREATION* OF THE CODE OF ORDINANCES OF THE CITY OF HENDERSON, KENTUCKY, INCLUDING CHANGING THE NAME OF THE PARKS AND RECREATION BOARD TO THE “BOARD OF PARK COMMISSIONERS.”

WHEREAS, KRS 97.425 to 97.485 allows the establishment of a board to be known as the “Board of Park Commissioners” to act as an advisory board to the City of Henderson Board of Commissioners on appropriate park and recreational programs and projects; and

WHEREAS, the City of Henderson deems it in the best interest of its citizens to have a workable Board of Park Commissioners advisory board to advise and assist on matters relating to parks and recreation and shall serve as the City’s Tree Board. To promote the full use of all park facilities in the interest of the public, and to serve as a mechanism for public input regarding recreational programming and park improvements in the community; and

WHEREAS, the City of Henderson has determined that expanding the Parks and Recreation Board from five (5) members to seven (7) members will enhance citizen participation, provide broader perspectives, and strengthen the Board’s ability to advise the City on parks, recreation, and parks projects; and

WHEREAS, the addition of two (2) additional members to the parks and recreation board requires an update to the terms of Board members to ensure staggered and rolling terms for continuity of service and further necessitates revising the designation of the Board’s officers from “chairperson” to “president” “vice chairperson” to “vice president” to be consistent with the terminology used in KRS 97.465 as well as add the position of secretary to be consistent with KRS 97.465..

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky, that Chapter 17 – *Parks and Recreation*, Article II – Parks and Recreation Board of the Code of Ordinances of the City of Henderson is hereby amended to rename the board as the “Board of Park Commissioners,” expand the Board’s membership from five (5) to seven (7) members, revise the terms of Board members to provide for staggered and rolling terms, and amend the designation and terms of Board officers to provide for a President, Vice-President, and Secretary in conformity with KRS 97.455 and KRS 97.465, a copy of which is attached hereto as Exhibit “A” and is incorporated herein by reference.

PUBLICATION DATE: _____

FIRST READ: 01/13/2026

SECOND READ: 01/27/2026

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner WHITT, seconded by Commissioner HARGIS, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner Hargis:	<u>AYE</u>	Commissioner Whitt:	<u>AYE</u>
Commissioner Thomas:	<u>AYE</u>	Mayor Staton:	<u>AYE</u>
Commissioner Pruitt:	<u>AYE</u>		

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 6TH DAY OF
JANUARY 2026.**

By: _____
Dawn Kelsey
City Attorney

ARTICLE II [~~PARKS AND RECREATION BOARD~~] BOARD OF PARKS COMMISSIONERS

Sec. 17-25. Created; composition.

There is hereby created a [~~parks and recreation board~~] Board of Parks Commissioners for the city consisting of [~~five (5)~~] seven (7) members who shall be residents of the city. The board shall be appointed by the mayor with approval of the board of commissioners.

Sec. 17-26. Terms of members.

Of the members first appointed to the board, two (2) members shall serve a four-year term, two (2) members shall serve a three-year term, two members shall serve a two year terms, and one (1) member shall serve a one year term. Thereafter, [A]all appointments to the board shall be for terms of four (4) years. If a successor has not been named at the expiration of a member's term, the member shall continue to serve until his successor is appointed. Whenever a vacancy occurs, an appointment shall be made for the remainder of the unexpired term.

Sec. 17-27. Designation and term of [~~chairperson and vice-chairperson~~] president, vice president and secretary.

The board shall elect from its membership a [~~chairperson and vice-chairperson~~] president, vice president, and secretary. Such election shall occur at the first meeting of every odd-numbered year at the first scheduled meeting after July 1. For the first appointed board, an election for the [~~chairperson and vice-chairperson~~] president, vice president, and secretary shall be held at the first meeting of the board.

City Commission Memorandum
26-21

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Continuity of Government During State of Emergency

An item has been placed on the agenda for Tuesday, January 27, 2026, regular meeting, for the final reading of an ordinance establishing the orderly succession of the office of Mayor and other City offices and departments identified in the Kentucky Emergency Operations Plan. The proposed ordinance would also repeal Ordinance No. 36-17, *Ordinance Regarding Continuity of Government*.

Under KRS 39A.110 and KRS 39B.070, the Mayor may declare a state of emergency when circumstances require and to exercise any emergency powers granted under the Kentucky Revised Statutes.

Additionally, KRS 39D.030 and 39D.040 require cities to enact provisions ensuring continuity of government by designating interim successors for local offices, departments and agencies specified in the Kentucky Emergency Operations Plan.

The attached ordinance provides for the orderly succession of local offices, departments and agencies in the event of the absence, disability, or inability of current officeholders and department leaders to perform their duties.

Your approval of the attached ordinance is respectfully requested.

c: Dawn Kelsey

ORDINANCE NO. 02-26

**ORDINANCE REGARDING CONTINUITY OF GOVERNMENT
DURING STATE OF EMERGENCY**

SUMMARY: ORDINANCE PROVIDING FOR THE ORDERLY SUCCESSION OF THE OFFICE OF MAYOR AND CITY OFFICES AND DEPARTMENTS NAMED IN THE KENTUCKY EMERGENCY OPERATIONS PLAN AND REPEALING ORDINANCE NO. 36-17 ORDINANCE REGARDING CONTINUITY OF GOVERNMENT

WHEREAS, the City of Henderson, Henderson County, City of Corydon and City of Robards established an interlocal agreement establishing a county wide disaster and emergency preparedness, response and recovery program in January 2006.

WHEREAS, the Director of the Henderson Emergency Management Agency was appointed by the County Judge Executive and the Mayor to represent both the City and the County in the direction, control and management of the affairs of the Agency and the Plan to provide specific and effective mobilization of public and private resources of the City and the County;

WHEREAS, under KRS 39A.110 and KRS 39B.070, the Mayor may declare a state of emergency when required and thereafter execute any emergency power granted under the Kentucky Revised Statutes; and

WHEREAS, under KRS 39D.030 and 39D.040, cities are required to enact to provide for the continuity of government and name interim successors for local offices, department and agencies specified in the Kentucky Emergency Operations Plan.

WHEREAS, the current City of Henderson's Continuity of Government's Ordinance was enacted when the position of Assistant City Manager did not exist and

NOW THEREFORE, BE IT ORDAINED BY THE CITY OF HENDERSON AS FOLLOWS:

Section 1. Pursuant to KRS 39D.030 and 39D.040, requires that legislative bodies enact ordinances necessary to provide for the continuity of government throughout the duration of a state of emergency. The Board of Commissioners of the City of Henderson deems that it proper and necessary to provide for the orderly succession of the office of Mayor in the event of absence or disability of the Mayor during a national, state or local state of emergency. To preserve the continuity of government in the event of the absence, disability or inability of the Mayor to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered by the Mayor pro tem. If neither is able to serve in the Office of Mayor in the event of absence or disability, then the office of Mayor shall be assumed temporarily by a member of the Henderson Board of Commissioners in the successive order of their vote total in the last election with the Commissioner receiving the highest number of votes serving in descending order.

PUBLICATION DATE: _____

FIRST READ: 01/13/2026

SECOND READ: 01/27/2026

Section 2. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the office of City Manager in the event of absence or disability of the City Manager during a national, state or local emergency. To preserve the continuity of government in the event of the absence, disability or inability of the City Manager to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered temporarily by the emergency interim successor in the following succession order:

- 1) Assistant City Manager
- 2) City Attorney
- 3) Fire Chief
- 4) Chief of Police

Section 3. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the offices of Chief of Police for City of Henderson and Chief of Henderson Fire Department. To preserve the continuity of government in the event of the absence, disability or inability of the Chief of Police or Chief of Henderson Fire Department to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of each of these offices shall be administered temporarily according to the Chain of Command for each department.

Section 4. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the office of Public Works Director. To preserve the continuity of government in the event of the absence, disability or inability of the Public Works Director to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered temporarily by the emergency interim successor in the following succession order:

- 1) Superintendent of Streets
- 2) Superintendent of Sanitation
- 3) Garage Superintendent

Section 5. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the office of Public Relations Director. To preserve the continuity of government in the event of the absence, disability or inability of the Public Information Officer to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered temporarily by the emergency interim successor in the following succession order:

- 1) City Attorney
- 2) Public Information Officer for City Police
- 3) City Clerk

Section 6. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the office of Henderson Municipal Gas System Director. To preserve the continuity of government in the event of the absence, disability or inability of the Gas System Director to effectively manage and direct local

operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered temporarily by the emergency interim successor in the following succession order:

- 1) Gas Distribution Engineer
- 2) Gas Compliance Engineer
- 3) Gas Distribution Superintendent

Section 7. Pursuant to KRS 39D.040, the Board of Commissioners deems it proper and necessary to provide for the orderly succession of the office of Chief Financial Officer. To preserve the continuity of government in the event of the absence, disability or inability of the Chief Financial Officer to effectively manage and direct local operations for response and recovery during an emergency or disaster, the duties and responsibilities of this office shall be administered temporarily by the emergency interim successor in the following succession order:

- 1) Assistant Chief Financial Officer (CFO)
- 2) Accounting Manager
- 3) Finance Manager

Section 8. The Emergency interim successors shall have the full power to exercise all powers of the office, department or agency and to commit its resources during a time of emergency or disaster if the person normally exercising the position is unavailable. If the preceding emergency successor becomes available, he or she shall resume the duties being performed by the emergency interim successor, unless he or she chooses to permit the emergency interim successor remains in the position until relieved.

All ordinances, including but not limited to Ordinance No. 36-17, or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon its legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner THOMAS, seconded by Commissioner HARGIS, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner Hargis:	<u>AYE</u>	Commissioner Whitt:	<u>AYE</u>
Commissioner Thomas:	<u>AYE</u>	Mayor Staton:	<u>AYE</u>
Commissioner Pruitt:	<u>AYE</u>		

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 15TH DAY OF
JANUARY, 2026.**

By: _____

Dawn Kelsey
City Attorney

City Commission Memorandum
26-22

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager DHW

SUBJECT: Ordinance Amendment – Chapter 7-*Buildings and Building Regulations* Relating to Electrical Code

An item for consideration on the Tuesday, January 27, 2026, regular meeting agenda is the final reading of an ordinance amending Chapter 7-*Buildings and Building Regulations*, Article III-*Electrical Code* of the Code of Ordinances of the City of Henderson.

The purpose of this amendment to Article III-*Electrical Code* of Chapter 7-*Buildings and Building Regulations* is to update the ordinance and bring it into compliance with new and updated statutes and current practice.

Your approval of the attached ordinance is respectfully requested.

c: Dawn Kelsey

ORDINANCE NO. 03-26

ORDINANCE AMENDING CHAPTER 7-BUILDINGS AND BUILDING
REGULATIONS, ARTICLE III-ELECTRICAL CODE

SUMMARY: AN ORDINANCE AMENDING ARTICLE III-ELECTRICAL CODE OF
CHAPTER 7-BUILDINGS AND BUILDING REGULATIONS,

**DIVISION 2 ADMINISTRATION AND ENFORCEMENT,
AMENDING:**

SECTION 7-52 ELECTRICAL INSPECTOR-EMPLOYMENT,
SECTION 7-53 SAME-QUALIFICATIONS,
SECTION 7-54 SAME-DUTIES GENERALLY;
SECTION 7-55 INSPECTION-REQUIRED
SECTION 7-58 POWER TO DISCONNECT SERVICE
SECTION 7-59 CERIFICATE OF APPROVAL
SECTION 7-60 RIGHT OF ACCESS TO BUILDING
SECTION 7-61 TEMPORARY USE OF ELECTRICAL CURRENT
SECTION 7-64 FAILURE TO PAY FEES; FAUILURE TO CORRECT
DEFECT

REPEALING:

SECTION 7-56 FAILURE TO INSPECT

DIVISION 4 LICENSES,

AMENDING:

SECTION 7-94 REQUIRED

AND REPEALING:

SECTION 7-95 EXEMPTIONS

SECTION 7-96 CERTIFICATE OF REGISTRATION PREREQUISTE

SECTION 7-97 FEES; LATE CHARGE

SECTION 7-98 DISPLAY

SECTION 7-99 TRANSFER

SECTION 7-100 EXPIRATION

DIVISION 5 PERMITS.

AMENDING:

SECTION 7-112 PERMITS REQUIRED GENERALLY

SECTION 7-113 PERMIT TO DO OWN WORK

SECTION 7-114 PERMITS FOR DECORATIVE LIGHTING

SECTION 7-115 FILING OF DRAWING AND SPECIFICATIONS

SECTION 7-116 SCHEDULE OF PERMIT AND INSPECTION FEES

SECTION 7-118 DISPOSITION OF FEES

OF THE CODE OF ORDINANCES OF THE CITY OF HENDERSON,
KENTUCKY

WHEREAS, KRS 227.480(1)(a) requires each local government enforcing the
Uniform State Building Code to issue an electrical permit prior to commencing construction,

PUBLICATION DATE: _____

FIRST READ: 01/13/2026

SECOND READ: 01/27/2026

alteration, or repairs to any electrical system; and

WHEREAS, KRS 227.480(3) states that local government may by ordinance fix reasonable fees and establish other requirements for the conduct of electrical inspections within its boundaries; and

WHEREAS, the City of Henderson, Kentucky deems it in the best interest and general welfare of the City and its residence to revise Article III-*Electrical Code* of Chapter 7-*Buildings and Building Regulations* in order to better align the City's Code of Ordinances with state statutes and current practice.

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky, that Article III-*Electrical Code* of Chapter 7-*Buildings and Building Regulations* of the Code of Ordinances is hereby repealed and replaced, a copy of which is attached at Exhibit "A," and can be found in the office of the city clerk.

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

The ordinance shall become effective upon publication.

On first reading of the foregoing ordinance, it was moved by Commissioner PRUITT, seconded by Commissioner WHITT, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner: Hargis	<u>AYE</u>	Commissioner: Whitt	<u>AYE</u>
Commissioner: Thomas	<u>AYE</u>	Mayor Staton:	<u>AYE</u>
Commissioner: Pruitt	<u>AYE</u>		

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 5TH DAY OF
JANUARY 2026.**

By: _____
Dawn Kelsey
City Attorney

ARTICLE III. ELECTRICAL CODE

DIVISION 2. ADMINISTRATION AND ENFORCEMENT

Sec. 7-52. Electrical inspector—Employment.

The electrical inspector may be employed by the city as a regular, full time employee thereof. The city manager may, at his/her option, contract with a qualified person or organization for inspection services, under such terms and conditions as he may deem acceptable.

Sec. 7-53. Same—Qualifications.

In addition to satisfying the definitional requirements of section 7-39, the electrical inspector shall be a legal resident of the state. He/she must not be, during the tenure of his/her office, engaged in any other activity in the electrical industry or have pecuniary or associational interests therein which constitute a conflict of interests.

Sec. 7-54. Same—Duties generally.

- (a) The administration of the provisions of this article shall be by the electrical inspector who shall inspect all electrical wires, conduits, raceways, apparatus, etc., covered by this article and administer the enforcement of the laws, rules and regulations relating to the installation, construction, maintenance and operation of electrical wire and apparatus in public and private buildings, and as otherwise provided by this article. In addition, the inspector shall have and perform the other duties provided for him herein.
- (b) In the administration of the provisions of this article, the electrical inspector shall answer any relevant question concerning, or give any desired information in the respect to, the meaning of, intent or application of the regulations and rules hereof. The inspector in his/her official capacity is not, however, empowered to and cannot lay out work or act in the capacity of a consulting engineer for inexperienced contractors, mechanics or owners.
- (c) The electrical inspector shall keep, or cause to be kept, a full complete daily report of all work permits issued and inspections made. A record of all permits issued or official work performed shall be reported to the department of housing, building and construction semi-annually regarding his/her office and performance of his/her duties hereunder.

Sec. 7-55. Inspection required.

- (a) All electrical work and installation of any electrical apparatus, material, or device whatsoever, for use in connection with electricity for light, heat or power, shall be inspected by the electrical inspector. When such installation, repair or alteration of electrical wiring or equipment has been completed the inspector shall be notified thereof and such inspection as herein provided shall be immediately made. At the time of such notification, the person making such installation, repair or alteration of electric wiring or equipment shall attach thereto a notice in substantially the following form:

"WARNING: This work has not been inspected and approved by the electrical inspector, and it shall not be covered or concealed until so inspected and approved."

- (b) No person other than the electrical inspector shall thereafter remove the notice, nor shall the inspector remove the same until he has attached to the work a notice stating that the same has been inspected and approved. Should the inspector condemn any such work or equipment as not being in accordance with the provisions thereof, notice in writing shall be given by him to the person engaged in the work within ten (10) days after notification thereof, or within further reasonable time as may, upon request, be prescribed; such condemned work or equipment shall be altered or removed as the case may require and the necessary changes shall be made so that all such work or equipment shall fully comply with the provisions hereof. In default thereof, the person shall be liable for the penalties as herein provided; and every owner, contractor or other person engaged in the construction of the building structure, or otherwise, covering or allowing to be covered such portion of the work or equipment, or removing any notice not to cover same placed thereon by the inspector shall be likewise liable for the penalties as herein provided.
- (c) Except for holidays and weekends, the inspector shall perform inspections in conformance with the Kentucky Building Code within 48 hours of the request made by the building owner or contractor. Holidays are defined as the following for the purpose of this section: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

[Sec. 7-56. Failure to inspect.

~~A failure of the electrical inspector to make inspections as prescribed in this article, within forty-eight (48) hours of the time he has been notified, may be construed to mean permission to the owner, contractor or other person engaged in the construction of the building, or otherwise, to proceed with the construction of the building.]~~

Sec. 7-57. Reinspection.

The electrical inspector is hereby empowered, upon request of the codes administrator of the city, or the fire marshal of the state, to reinspect all wiring, appliances, devices, fixtures or equipment coming within the scope hereof. When the installation of any such wiring, appliances, devices, fixtures or equipment is found to be in a dangerous or unsafe condition, the person owning, using or operating the same shall be notified to make the necessary repairs or changes required to place such wiring, appliances, devices, fixtures or equipment in a safe condition, and shall have such work completed within ten (10) days after notification thereof, or within such further reasonable time as may, upon request, be prescribed.

Sec. 7-58. Power to disconnect service.

The electrical inspector is hereby empowered to order, by written notice to the electric utility~~[[municipal power and light commission]~~, the disconnection and/or discontinuance of electrical service to such conductors or apparatus found to be in a dangerous or unsafe condition, or to have been installed without a permit, or not in accordance with the provisions hereof. He shall thereupon attach a notice stating that such conductors or apparatus have been disconnected because of their having been found unsafe to life or property; and it shall be unlawful for any person to remove the notice of disconnection or to reconnect such defective conductors or apparatus until the same have been placed in a safe and secure condition and have been approved for use by the inspector.

Sec. 7-59. Certificate of approval.

If the electrical inspector approves the work done, he/she shall issue a certificate of approval when the installation is completed. A copy of such notice shall be given to the owner of the property and the electrical contractor. The inspector shall retain one copy of such notice for his/her records and also furnish a copy to the state department of housing, building and construction.

Sec. 7-60. Right of access to building.

The electrical inspector shall have the right, during reasonable hours, upon the showing of proper credentials, to enter any building and to discharge his/her official duties or for the purpose of making any inspection or test of the installation of any electrical wiring, electric device, or any electrical material contained herein.

Sec. 7-61. Temporary use of electrical current.

- (a) A letter requesting temporary service to any occupancy must be filed with the electric utility [~~municipal power and light commission~~] upon forms to be furnished by that commission. [~~An~~] A permit inspection fee shall be collected for inspection of each temporary service. [~~not installed or furnished by that commission.~~]
- (b) Where an urgent necessity for the use of electrical current in any installation is shown to exist, the electrical inspector may grant permission for such temporary current to any wiring or apparatus or fixture for a period not exceeding thirty (30) days, if such wiring or apparatus or fixtures are in such condition that the current may safely be used thereon without danger to life or property. Permission may be obtained for temporary use of electrical current during the construction or alteration of any building. The method of making temporary connections shall be subject to the approval of the inspector.

Sec. 7-62. Legal procedure.

Upon written request by the electrical inspector, the legal department shall take charge of and conduct all legal proceedings imposed or provided for by this article; all suits or proceedings instituted for the enforcement of any of the several provisions of this article, or for the recovery of any penalty herein provided for, shall be brought, by the city, by the legal department. All notices of violations shall be returned for prosecution to the legal department, and it shall be the duty of the legal department to take charge of the prosecution of all such suits or proceedings, to collect and receipt for all moneys that may be collected upon judgments, suits or proceedings so instituted, or which may be paid by any parties who have violated any of the provisions of this article, and upon settlement of judgments or violations thereunder, to execute satisfaction therefor.

Sec. 7-63. Injunctions.

In any action or proceeding for the enforcement of the provisions of this article, the city may apply to the court for an order enjoining and restraining any violation, ordering property affected vacated, and/or prohibiting use of property affected for any purpose whatsoever until the hearing and determination of such actions and the entry of final judgment thereon.

Sec. 7-64. Failure to pay fees; failure to correct defect.

The failure of any person registered under the provisions hereof, to pay any fee or fees that may be charged to him within fifteen (15) calendar days after notification thereof, or within such further reasonable time as may, upon request, be granted, shall entitle the electrical inspector, without further notice, to stop the issuance of permits to such registered person until fees have been paid. The electrical inspector is further empowered to stop the issuance of permits to any person registered under the provisions hereof, who fails to correct any defect, error or deficiency in any electrical work installed by him until such time as such defects, errors and deficiencies are corrected. It shall be unlawful to perform any electrical work during the period permits are being withheld. Written requests shall be given by the inspector to the city [municipal power and light commission] for the stoppage of issuances of permits as herein provided.

Sec. 7-65. Nonliability of city for damages.

The provisions of this article shall not be construed to relieve from or lessen the responsibility of any person owning, operating or installing any electric wires, apparatus, appliances, construction of equipment, for damages to anyone injured by any defect therein; nor shall the city, or any agent thereof, be held as assuming any such liability by reason of the electrical inspection authorized herein, or the certificate of inspection issued by the electrical inspector.

Secs. 7-66—7-76. Reserved.

DIVISION 3. RESERVED

Secs. 7-77—7-93. Reserved.

[DIVISION 4. LICENSES

Sec. 7-94. Required.

~~[No person shall engage in the installation, alteration or repair of electrical wiring, equipment, apparatus or fixtures in or about buildings in the city, or in any building served by the municipal utilities or any other utility company serving customers located inside the corporate limits of the city unless they have obtained a certificate of registration pursuant to KRS 227A.010 to 227A.140.]~~

Permits shall be issued only to certified electrical contractors that also hold a City Occupational License, except those issued to the City, or to a homeowner, or to holders of a limited license that also hold a City occupational license for their respective occupations.

~~[Sec. 7-95. Exemptions.~~

~~This division shall not apply to telephone, telegraph or electric companies, or to any employees thereof, operating under franchise within the city or with indeterminate permits under the state public service commission, in the installation, maintenance, renewal or repair of their electrical service or apparatus and equipment used in connection with their business or plants; nor shall this section apply to manufacturers of electrical appliances in conducting tests of apparatus of their own manufacture.~~

~~{Code 1968, § 154.51(F)}~~

~~Sec. 7-96. Certificate of registration prerequisite.~~

~~No person shall be eligible for a license as a master electrician or journeyman electrician without first having obtained a certificate of registration as a master electrician or a journeyman electrician as provided in this article.~~

~~{Code 1968, § 154.51(A)}~~

~~Sec. 7-97. Fees; late charge.~~

~~(a) — Each holder of a certificate of registration as a master or journeyman electrician shall present such certificate to the city business licensing authority and the sum of twenty five dollars (\$25.00) for a master electrician and fifteen dollars (\$15.00) for a journeyman electrician license, and the business licensing authority shall grant to such person a license for the remaining license year (commencing on the first of each licensing year) after the date of the issuance of such license.~~

~~(b) — Any person duly licensed as a master electrician or journeyman electrician shall have the right without further examination to renew that license for an annual fee of twenty five dollars (\$25.00) and fifteen dollars (\$15.00) respectively.~~

~~(c) — A late charge of seventy five dollars (\$75.00) for a master electrician license and forty five dollars (\$45.00) for a journeyman electrician license shall be charged for failure to renew said license prior to expiration.~~

~~{Code 1968, § 154.51(D), (E); Ord. No. 31-81, § 8, 11-24-81; Ord. No. 13-00, § 1, 4-25-00; Ord. No. 30-00, § 1, 8-8-00}~~

~~Sec. 7-98. Display.~~

~~Any person granted a license as a master electrician or a renewal thereof, as provided in this division, shall display the same in a conspicuous place at the place of business of such person.~~

~~{Code 1968, § 154.51(G)}~~

~~Sec. 7-99. Transfer.~~

~~No license granted under the provisions of this division shall be assignable or transferable, and every such license or renewal of the same shall specify the name of the person to whom it is issued.~~

~~{Code 1968, § 154.51(H)}~~

~~Sec. 7-100. Expiration.~~

~~All licenses and renewals thereof, issued pursuant to this division shall expire on the thirtieth day of April of the year for which they are issued. A license is renewable after the thirtieth day of April provided the late charge contained in subsection 7-97(c) is paid at time of renewal.~~

Secs. 7-~~101~~ 95]—7-111. Reserved.

DIVISION 5. PERMITS

Sec. 7-112. Permits required generally.

No person shall install, alter or repair any electrical work covered by this article without first obtaining from the ~~[municipal power and light commission, or the]~~ Electrical Inspector or authorized issuing agency of the city, a permit therefor and paying the permit fees hereinafter provided; provided, however, that where the cost of an electrical installation is less than two hundred dollars (\$200.00), a permit shall be required but no permit fee shall be charged therefor. The life of the permit may be extended, if necessary, upon application, but all permits shall be void within sixty (60) days if the work contemplated under the same is not begun within that time. Where work for which a permit is required is started or proceeded with, prior to obtaining such permit, the fee hereinafter provided shall be double, but payment of such double fee shall not relieve any person from fully complying with the requirements of this article, in the execution of the work, nor from any other penalties prescribed herein. ~~[Where such permit is issued by the municipal power and light commission by means other than written permit, a written permit in verification thereof shall be obtained by the contractor within three (3) days from the original issuance of such permit.]~~ Permits shall be issued only to an electrical contractor except those issued to the City, or to a homeowner, or to holders of a limited license that also holds a City Occupational License.

Sec. 7-113. Permit to do own work.

A permit to perform electrical work in or about his/her own home may be issued to an owner; provided that all work thereunder shall be performed by such person or a member of the immediate family of such owner. ~~[The municipal power and light commission, however, shall not issue]~~ However, such permits shall not be issued unless the person who is to perform the work be named in the permit and appear before the inspector and show by answering such questions as may be asked by the inspector, or otherwise, that he/she has sufficient knowledge of the matter to properly perform such work. If it is apparent from the character of the work performed that an owner is not competent nor qualified to do the work under any permit issued to him, the inspector may require such portion of the work that is in violation hereof to be changed, altered or repaired by a master electrician at the expense of the owner. A permit shall be issued without fee to such master electrician and the permit to the owner shall be cancelled.

Sec. 7-114. Permits for decorative lighting.

- (a) Permits for temporary installations for indoor or outdoor decorative lighting shall be issued only when permission has been granted as herein provided. Permits shall be required for any temporary decorative lighting installation that is hard-wired, connected to a temporary power source, installed in a commercial or public occupancy, or intended for use at a public event, including but not limited to festivals, fairs, or assemblies.
- (b) During festivals, fairs, conventions and the like, the ~~[municipal power and light commission]~~ electrical inspector may grant a special permit for a period not exceeding ten (10) days for the installation of approved systems of decorative lighting over roadways or sidewalk areas. If an extension of time is desired, for not more than twenty (20) days, such permit may be renewed at the discretion of the ~~[municipal power and light~~

~~commission]~~ electrical inspector. A special permit from the ~~[municipal power and light commission]~~ electrical inspector shall be required for any such installation to be maintained for a period of more than thirty (30) days.

(c) A special permit from the ~~[municipal power and light commission]~~ electrical inspector shall be obtained before any system of decorative lighting can be installed over any roadway or sidewalk area when installed at a time when no festival, fair, convention, or the like, is in progress.

(d) A permit shall not be required for temporary decorative lighting installed at a private residential dwelling, provided the lighting consists solely of listed, portable, plug-and-play lighting systems connected to existing receptacles and does not involve alteration of the permanent electrical system.

(e) All decorative lighting installations, whether or not a permit is required, shall comply with the Kentucky Electrical Code, the National Electrical Code (NEC) as adopted by the Commonwealth, and any applicable local amendments.

(f) The Code Administrator or his/her designee shall have the authority to require a permit where the installation is deemed to present a life safety or fire hazard due to size, method of installation, electrical load, or location.

~~((d))~~(g) The permit inspection fee for the installation of outdoor or indoor temporary lighting system shall be as determined by the board of commissioners from time to time and kept on file in the clerk's office. Inspection fees shall be charged as herein provided.

Sec. 7-115. Filing of drawing and specifications.

Every person making application for any permit to do electrical work under the provisions hereof may be required by the electric utility ~~[municipal power and light commission]~~ and/or the codes department of the city to file a set of plans and specifications in sufficient details to enable the inspector to determine if the work will be in compliance with the rules, regulations and provisions of this article. A key to the symbols used shall accompany all plans. If main, feeders, branches and distributing panels are shown on the plans they shall be designated by letters or numbers.

Sec. 7-116. Necessity of approval.

No person shall make any electrical connection to any electrical wiring or equipment until approval has been given by the electrical inspector. The inspector is hereby authorized to disconnect any electrical installation, or equipment, which has been connected before the approval for service has been given. He/she shall thereupon attach a legal notice which shall state that the wiring or equipment has been disconnected by the inspector. No person shall remove such notice or reconnect the wiring before the same has been approved by the inspector.

Sec. 7-117. Schedule of permit ~~[and]~~ inspection fees.

~~[(a) — Permit fees. A fee to be set by the municipal power and light commission shall be charged for each electrical permit unless otherwise specified in this Code.]~~

~~[(b)-a)~~ Permit Inspection fees. Permit Inspection fees shall be imposed by the ~~[codes department]~~ Electrical Inspector of the City of Henderson according to the following schedule, and no permanent electrical connection shall be made by the ~~[municipal power and light commission]~~ electric utility until it is notified by the inspector that a certificate of approval has been issued and the permit inspection fees imposed hereunder have been paid.

~~([c] b) [Charges and classifications] Electrical permit inspection fee schedule.~~

~~(1) All buildings and structures shall be classified with respect to use in one of the following groups:~~

~~Use Group~~

~~A Assembly~~

~~B Business~~

~~I Institutional~~

~~M Mercantile~~

~~F Factory~~

~~H High hazard~~

~~R Residential~~

~~S Storage~~

~~T Temporary or miscellaneous structures~~

~~(2) Residential, which includes single family, duplex, and apartments with eight (8) or less units, will be charged at the rate of five cents (.05¢) per square foot for a maximum of two (2) inspections (includes new or remodeled structures).~~

~~Any apartment over eight (8) units will be charged at the rate of one and one half (1½) percent for the first one hundred thousand dollars (\$100,000.00) of electrical contract, and any contract exceeding one hundred thousand dollars (\$100,000.00) will have the charge of one half (½) percent for remainder of contract over one hundred thousand dollars (\$100,000.00).~~

~~(3) Such electrical inspection fees shall be collected by the codes department from the prime contractor when the building permit is issued.~~

~~(4) Prime contractor shall show sufficient documentation on cost of electrical contract at the time the building permit is purchased.~~

~~(5) There will be a minimum charge of thirty five dollars (\$35.00) for use groups A, B, I, M, F, H, S, and T.~~

~~(6) Other charges:~~

a.	Repairing of existing buildings	\$25.00 for one (1) inspection
b.	Service change	\$25.00 for one (1) inspection (to be collected by municipal power and light)
c.	Temporary service	\$16.00 (to be connected in the name of the prime contractor; includes only one (1) inspection)
d.	Additional inspections to same location	\$9.00 per trip
e.	Any work found in progress without permit and/or or any work found finished without permit will be inspected and billed double the normal rate.	
f.	Lighted signs exterior	\$35.00
g.	Portable signs	\$20.00 (with a limit of sixty (60) days)

~~(7) Electrical charges for use groups A, B, I, M, F, H, S, and T will be charged at the rate of one and one half (1½) percent for the first one hundred thousand dollars (\$100,000.00) of electrical contract, and any contract exceeding one hundred thousand dollars (\$100,000.00) will have the charge of one half (½) percent for remainder of contract over one hundred thousand dollars (\$100,000.00).]~~

(1) Residential Fee Schedule

- Residential inspections: \$ 75.00 per inspection

(2) Commercial/Industrial Fee Schedule

- \$0 - \$25,000 \$ 100.00 per inspection
- \$25,001 - \$999,999 1.5% of total electrical contract price
- \$1,000,000 ≤ 1% of total electrical contract price

(3) Solar Fee Schedule

- Residential:
 - 10 KW \$ 300.00
 - 10-25 KW \$ 600.00
 - 25 KW < \$1,000.00
- Commercial:
 - 0-10 KW \$ 400.00
 - 10-25 KW \$ 700.00
 - 25 KW < 1.5% of total electrical contract price

(Commercial/Industrial fees based on electrical/solar contract price shall not exceed \$10,000.00 per property per year unless a written request by the inspector detailing the reasons for the increased maximum fee for a particular property is approved by the Board of Commissioners.

- (4) Any work found in progress without permit and/or any work completed without permit will be inspected and billed double the normal fee.

Definitions:

Residential - single family, duplex, apartments with eight (8) or less units, and other structures on the same lot

Commercial – real property used for business, includes apartment complex over eight (8) units

Industrial – large scale facility for manufacturing, producing, and/or storage

Commercial/Industrial Fee Schedule percentage fees are based upon the total electrical contract price inclusive of labor and material costs.

Sec. 7-118. Disposition of fees.

~~[(a) — All permit fees collected by the municipal power and light commission under the provisions of this article shall be retained by the municipal power and light commission to defray the expenses of the performance of its duties under this article.]~~

~~[(b)]~~ All sums collected ~~[by municipal power and light commission or otherwise]~~ for permit inspection fees, as herein provided, shall be paid over at the end of each month to the ~~[treasurer]~~ electrical inspector or finance director of the city with sufficient accounting thereof. Except that, if the board of commissioners shall contract with an individual or an inspecting organization for electrical inspection service, all amounts collected as permit inspection fees shall be managed in accordance with the terms of such contracts.

Secs. 7-119—7-134. Reserved.

City Commission Memorandum
26-23

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Ordinance Amending Fiscal 2026 Budget

An item for consideration at the regular meeting of Tuesday, January 27, 2026, is the final reading of an ordinance amending the Fiscal 2026 Budget and Appropriation ordinance for the fiscal year ending June 30, 2026.

Transfer to Sports Complex	<u>\$200,000.00</u>
TOTAL GENERAL FUND INCREASES	\$200,000.00

The proposed budget amendment will increase the General Fund by a total of \$200,000.00 which includes a transfer to Sports Complex Fund in the amount of \$200,000.00 needed to continue the operations efficiently for the first full year at the Sports Complex, including transferring additional funds to the Sports Complex bank account for a few months of surplus cash as reserves.

An amendment to the Police Investigations Fund in the amount of \$64,000.00 is also requested which will appropriate for the purchase of one vehicle for the Police Department and forfeiture disbursement fees to specific parties pertaining to task force activities when selling asset forfeiture items.

Finance Director, Chelsea Mills, provided a review of the changes detailed in Finance Department Memorandum 26-01 attached.

Your approval of the attached ordinance is requested.

c: Chelsea Mills

ORDINANCE NO. 04-26

ORDINANCE AMENDING BUDGET AND APPROPRIATION
ORDINANCE

SUMMARY: AN ORDINANCE AMENDING BUDGET AND APPROPRIATION
ORDINANCE FOR THE FISCAL YEAR COMMENCING JULY 1,
2025 AND ENDING JUNE 30, 2026 FOR THE CITY OF HENDERSON,
KENTUCKY

WHEREAS, on June 24, 2025, the City of Henderson adopted its annual budget and appropriation ordinance for the fiscal year commencing July 1, 2025 and ending June 30, 2026, being Ordinance No. 23-25, and,

WHEREAS, the City Manager recommends that the following additional amendments be adopted.

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky, that Ordinance No. 23-25 is amended as follows:

1. The budget submitted to the Board of Commissioners by the City Manager is hereby adopted and approved and said budget is incorporated herein by reference, and three copies thereof, signed by the Mayor, shall be kept on file in the office of the City Clerk as part of the public record of the City.

2. There is hereby appropriated from the General and Special Fund Accounts of the City of Henderson and allocated to the various Funds of the City the following amounts:

<u>GENERAL FUND</u>	<u>ORIGINAL BUDGET</u>	<u>AMENDED BUDGET</u>
GENERAL FUND EXPENDITURE TOTAL	\$ 41,658,000	
TRANSFER TO PWI	1,483,000	
TRANSFER TO MASS TRANSIT	665,000	
TRANSFER TO CONSTRUCTION FUND	874,000	
TRANSFER TO EMERGENCY COMM.	887,000	
TRANSFER TO POLICE/FIRE PENSION	316,000	
TRANSFER TO CIVIL SERVICE PENSION	74,000	
TRANSFER TO CEMETERY	388,000	
TRANSFER TO SPORTS COMPLEX	{292,000}	\$ 492,000
TRANSFER TO BOND FUND	3,068,000	
TOTAL GENERAL FUND	<u>{\$49,705,000}</u>	<u>\$ 49,905,000</u>

PUBLICATION DATE: _____

FIRST READ: 01/13/2026
SECOND READ: 01/27/2026

	ORIGINAL BUDGET	AMENDED BUDGET
NATURAL GAS FUND	\$ 20,186,000	
HEALTH REIMBURSEMENT ARRANGE.	\$ 140,000	
CIVIL SERVICE PENSION FUND	\$ 80,000	
POLICE & FIRE PENSION FUND	\$ 316,000	
CEMETERY FUND	\$ 649,000	
HEALTH INSURANCE FUND	\$ 8,815,000	
BOND FUND	\$ 10,302,000	
PUBLIC WAY IMPROVEMENT FUND	\$ 2,315,000	
CONSTRUCTION FUND	\$ 15,764,000	
HART OPERATING FUND	\$ 1,917,000	
SANITATION FUND	\$ 5,849,000	
EMERGENCY COMMUNICATIONS FUND	\$ 2,653,000	
TOURISM COMMISSION FUND	\$ 350,000	
SPORTS COMPLEX FUND	[\$1,121,000]	\$ 1,321,000
COMMUNITY DEVELOPMENT FUND	\$ 826,000	
POLICE INVESTIGATION FUND	[\$75,000]	\$ 139,000

3. The number and classifications of City employees as recited in the Annual Budget is approved as presented.

4. The City Manager is authorized to hire an additional two (2) police officers when it is deemed necessary by the Chief of Police and the City Manager due to the length of training necessary for this position.

5. The City Manager is authorized to hire an additional one (1) firefighter when it is deemed necessary by the Fire Chief and the City Manager due to the length of training necessary for this position.

6. The City Manager is authorized to hire additional non-hazardous duty personnel for key positions when deemed necessary for succession training purposes and the expenditures for the additional hires do not exceed the appropriations granted.

7. This Ordinance shall be effective as of July 1, 2025.

On first reading of the foregoing ordinance, it was moved by Commissioner THOMAS, seconded by Commissioner PRUITT, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner: Hargis	<u>AYE</u>	Commissioner: Whitt	<u>AYE</u>
Commissioner: Thomas	<u>AYE</u>	Mayor Staton:	<u>AYE</u>
Commissioner: Pruitt	<u>AYE</u>		

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 8TH DAY OF
JANUARY 2026.**

By: _____
Dawn Kelsey
City Attorney

City Commission Memorandum
26-30

January 21, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Closure of Public Right-of-Way – Alley Between 216 Highland Drive and 220 Turner Avenue

An item for the agenda of Tuesday, January 27, 2026, is first reading of an ordinance closing a public right-of-way located between 216 Highland Drive and 220 Turner Avenue.

The applicants, Justin and Abby Johnston, have requested closure of approximately 3,051 total square feet of unimproved public right-of-way being an alley between 216 Highland Drive and 220 Turner Avenue. The closure of this alley would enhance the value of the properties affected thereby and would not create a hardship on any of the adjoining property owners or other persons with any interest therein.

All adjoining property owners have agreed to the vacation of this public right-of-way. All City utilities have been notified of this pending action and any required utility easements for this closure will be addressed on the consolidation plat.

The Henderson City-County Planning Commission, at its meeting of January 6, 2026, recommended approval of the request to vacate this public right-of-way.

Your approval of the attached ordinance is requested.

c: Brian Bishop
Jenna Basham



Henderson City-County Planning Commission
1990 Barret Ct. Suite C
Henderson, KY 42420

Brian Bishop
Executive Director, AICP, CFM

January 12, 2026

Mayor Brad Staton
City Commissioners
Henderson Municipal Center
Henderson, KY 42420

ATTN: Dylan Ward, City Manager

Please be advised that on Tuesday, January 6, 2026, the Henderson City-County Planning Commission held a public hearing to consider the following:

Right-of-Way Closure Request – Submitted by Justin and Abby Johnston to close unimproved public right-of-way being an alley between 216 Highland Drive and 220 Turner Avenue, containing approximately 3,051 total square feet.

PLANNING COMMISSION RECOMMENDATION- MOTION WAS MADE BY KEVIN RICHARD, SECONDED BY DICKIE JOHNSON TO RECOMMEND APPROVAL OF THE RIGHT OF WAY CLOSURE REQUEST TO THE BOARD OF COMMISSIONERS SUBMITTED BY JUSTIN AND ABBY JOHNSTON TO CLOSE AN UNIMPROVED PUBLIC RIGHT OF WAY BEING AN ALLEY AT 216 HIGHLAND DRIVE AND 220 TURNER AVENUE.



Henderson City-County Planning Commission
1990 Barret Ct. Suite C
Henderson, KY 42420

Brian Bishop
Executive Director, AICP, CFM

***YES: KEVIN RICHARD, BOBBIE JARRETT, MAC ARNOLD,
DICKIE JOHNSON, GARY GIBSON, KEVIN HERRON, GRAY
HODGE, STACY DENTON, FRANK BOYETT, CURT HAMILTON***

Attached is a copy of the transcript of the public hearing, and documents related to the right-of-way closing.

Sincerely,

A handwritten signature in black ink that reads "Brian Bishop". The signature is written in a cursive, flowing style.

Brian Bishop

Executive Director

Henderson City-County
Planning Commission
January 6, 2026

The Henderson City-County Planning Commission held a meeting January 6, 2026, at 6:00 p.m., at the Henderson Municipal Center, 222 First Street, Third Floor Assembly Room, Henderson, Kentucky.

Members present: Chairman David Dixon, Kevin Richard, Bobbie Jarrett, Mac Arnold, Dickie Johnson, Kevin Herron, Gary Gibson, Gray Hodge, Stacy Denton, Frank Boyett, Curt Hamilton, and Tommy Joe Fridy, Attorney. Heather Toews was absent. Staff present: Director Brian Bishop, Jennifer Allen, Rhonda Thompson, Heather Lauderdale and Chris Raymer.

Chairman Dixon: We're moving on to what was once item number four (4); **Right of Way Closure request**. Mr. Bishop, are you going to help us with this?

Brian Bishop: Yes sir.

Right of way closure request submitted by Justin and Abby Johnston to close an unimproved public right of way being an alley between 216 Highland Drive and 220 Turner Avenue, containing approximately 3,051 total square feet.

The applicant has made this request so that they can enlarge a garage that is currently on the property line. This is an unimproved alley the city has never built. The alley, if closed will be separated and halved between the two (2) property owners, north and south.

The city utilities have not objected, there is no issue with utilities in this right of way. We have received all the required consent documents from the adjoining property owners. Staff would recommend approval, and one thing to remember is the Planning Commission makes a

recommendation to the Board of Commissioners, and they have final say on the alley closure.

With that, I'll do my best to answer any questions.

Mac Arnold: Did that alley extend on past this area?

Brian Bishop: It did. It was never developed. Are you talking about the next property over?

Mac Arnold: Yes.

Brian Bishop: I don't believe so. From what we've seen on the plats its just this area here.

Mac Arnold: Okay.

Chairman Dixon: Any other questions for staff from the commission?

Anyone here this evening that would like to speak to this proposal? No one in favor or in opposition or have a question perhaps?

Justin Johnston: Yes sir.

Chairman Dixon: I need your name.

Justin Johnston: Justin Johnston.

Chairman Dixon: Address?

Justin Johnston: 216 Highland Drive.

Chairman Dixon: Do you promise to tell the truth, the whole truth and nothing but the truth?

Justin Johnston: Yes sir.

Chairman Dixon: Thank you.

Justin Johnston: I just wanted to say thank you for taking a look and possibly granting the opportunity to turn this property to myself and my neighbors to allow us to use it.

Chairman Dixon: Thank you, sir. Any questions for this gentleman?

Kevin Richard: Thank you.

Justin Johnston: Thank you.

Chairman Dixon: If there are no further questions or comments regarding this matter I'll entertain a motion regarding the right of way closure request.

Kevin Richard: Just to clarify, this is a Board of Commissioners who we're recommending this to?

Brian Bishop: Correct.

Chairman Dixon: We need a motion to recommend one way or the other, right?

Tommy Joe Fridy: Right.

MOTION WAS MADE BY KEVIN RICHARD, SECONDED BY DICKIE JOHNSON TO RECOMMEND APPROVAL OF THE RIGHT OF WAY CLOSURE REQUEST TO THE BOARD OF COMMISSIONERS SUBMITTED BY JUSTIN AND ABBY JOHNSTON TO CLOSE AN UNIMPROVED PUBLIC RIGHT OF WAY BEING AN ALLEY AT 216 HIGHLAND DRIVE AND 220 TURNER AVENUE.

Chairman Dixon: We have a motion and second, any further discussion? Madame Secretary, please call the roll.

Heather Lauderdale: Thank you. Dickie, was that a second?

Dickie Johnson: Yes.

Heather Lauderdale: Thank you.

YES: ALL

Chairman Dixon: Very good, the motion passes.

Administrative Memorandum
25-12

November 12, 2025

TO: Brian Bishop, Executive Director
Planning Commission

FROM: William L. "Buzzy" Newman, Jr., Assistant City Manager

SUBJECT: ROW Closure Request

Enclosed for your review is a request from Justin and Abby Johnston to close unimproved public right-of-way being an alley between 216 Highland Drive and 220 Turner Avenue.

The request is for the the vacating of approximately 3,051 total square feet of unimproved public right-of-way being an alley located between 216 Highland Drive and 220 Turner Avenue.

Staff's review for the impact on public services and utilities has been completed and is enclosed. Also enclosed is the written description, an original certified survey plat, and a list of abutting property owners along with their consents.

Please start the process and conduct a public hearing before the Planning Commission to consider this request and return with a recommendation to the Board of Commissioners.

c: Jenna Basham
Dawn Kelsey



11/12/25

Madden, Donna L.

From: Justin Johnston <JJohnston@pmdtank.com>
Sent: Tuesday, June 3, 2025 1:59 PM
To: City Manager
Subject: [External] Request for right away closure adjacent to 216 Highland Dr
Attachments: Justin Johnston-Site Plan.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good afternoon,

I'm requesting the right away closure of the alley adjacent to my property at 216 Highland Dr.

Attached is a draft site plan that I intend to submit to the city for approval. The plan references the alley in question for context.

Please let me know if you require any additional information or if there are further steps I need to take at this stage.

I can be contacted via cell 270-577-4580.

Thank you for your time and consideration.

Best regards,
Justin & Abby Johnston



Justin Johnston, Director of Sales

Preferred Tank & Tower
Maintenance Division, Inc.

2202 Highway 41N
Unit E Box 123
Henderson, KY 42420

PH: 270-826-4000 Ext. 234
FX: 270-344-5238
EM: jjohnston@pmdtank.com

WWW.PMDTANK.COM

DESCRIPTION

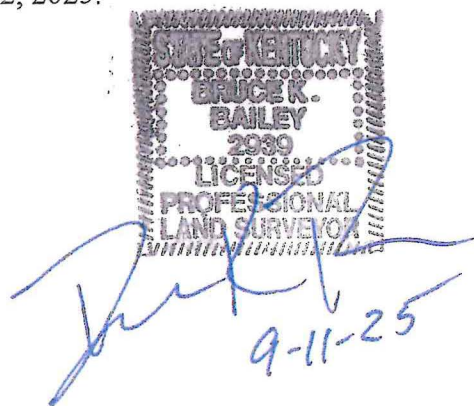
PROPOSED ALLEY CLOSING HIGHLAND DRIVE

HENDERSON, KENTUCKY

A certain tract or parcel located on the southwest side of Highland Drive, in the City of Henderson, in Henderson County, Kentucky and being more specifically described as follows:

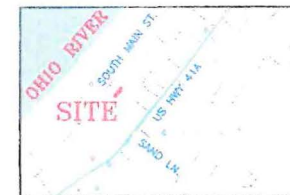
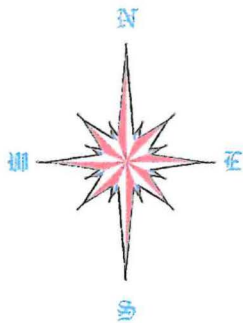
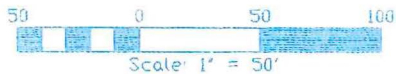
Unless stated otherwise, any monument referred to herein as a "set iron pin" is a 1/2" diameter rebar, 18" in length set with an orange plastic cap stamped "PLS #2939". All bearings stated herein are referred to the 1983 NAD Kentucky South Zone coordinate system.

Beginning at an iron pin set at the northeast corner of the Abby L. Powell property described in Deed Book 653 Page 253 (See also Deed Book 101 Page 392) and on the southwest right-of-way line of Highland Drive; thence along southwest right-of-way line of said Highland Drive, South 50 DEGREES 12 MINUTES 10 SECONDS East, a distance of 15.00 feet to an iron pin set at a corner of the right-of-way line of said Highland Drive; thence along the right-of-way line of said Highland Drive, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 82.22 feet to an iron pin set at another corner of the right-of-way of Highland Drive, said iron pin also located at easternmost corner of Turner Avenue, said iron pin also located at the northwestern corner of the Husk Holdings, LLC. property described in Deed Book 681 Page 499 (See also Deed Book 70 Page 210); thence along the northwest line of the Husk Holdings, LLC. property, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 121.00 feet to an iron pin set at the southeast corner of said Husk Holdings, LLC. property and on the northeast line of the Teresa A. Bellew property described in Deed Book 542 Page 79 (See also Deed Book 139 Page 398); thence along the northeast line the said Teresa A. Bellew property, North 51 DEGREES 27 MINUTES 10 SECONDS West, a distance of 15.00 feet to an iron pin set on the northeast line the said Teresa A. Bellew property and at the southeast corner of the Gerald T. & Carolyn Williams property described in Deed Book 278 Page 743; thence along the southeast line of said Gerald T. & Carolyn Williams property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 80.00 feet to an iron pin found at the easternmost corner of said Gerald T. & Carolyn Williams property and at the southeast corner of the Abby L. Powell property described in Deed Book 653 Page 253; thence along the southeast line of said Abby L. Powell property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 123.55 feet to the point of beginning and containing 3051 square feet. This description was prepared from a physical survey conducted under the direction of Bruce K. Bailey, PLS #2939 of Bailey Surveys, Inc. on September 2, 2025.



STATE OF KENTUCKY
BRUCE K.
BAILEY
2025
LICENSED
PROFESSIONAL
LAND SURVEYOR

9-11-25



SOUTH MAIN STREET

HIGHLAND DRIVE

TURNER AVENUE

HIGHLAND SUBDIVISION
SEE PLAT DB 101 PG 392

BLOCK "F" OF THE
CLOVERDALE SUBDIVISION
SEE PLAT DB 70 PG 210

SURVEY PLAT
PROPOSED ALLEY CLOSING
HIGHLAND DRIVE
HENDERSON, KENTUCKY

SEE PLAT:
DB 139 PG 398
LOT 1
WICK'S SUB.

GERALD T. &
CAROLYN WILLIAMS
DB 278 PG 743

DANIEL L. &
HANCY LOVE
DB 505 PG 130

ABBY L. POWELL
DB 853 PG 251

HUSE HOLDINGS, LLC.
DB 581 PG 489

AREA OF ALLEY
TO BE CLOSED
3,051 SQ.FT.

SET 1/2" REBAR, 18" LONG
W/ CAP STAMPED "PLS 2939"
(TYPICAL)

TERESA A. BELLEW
DB 542 PG 79
SEE PLAT:
DB 139 PG 398
LOT 7
WICK'S SUB.

OWNERS: CITY OF HENDERSON
PO BOX 716
HENDERSON, KY 42419

CLIENT: JUSTIN JOHNSTON
216 HIGHLAND DRIVE
HENDERSON, KY 42420

SOURCE OF TITLE:
DB 70 PG 210
DB 101 PG 392

PROPERTY LOCATION:
HIGHLAND DRIVE
HENDERSON, KY 42420

STATE OF KENTUCKY
BRUCE K.
BAILEY
2939
LICENSED
PROFESSIONAL
LAND SURVEYOR

BAILEY SURVEYS

P.O. BOX 1293
HENDERSON, KY 42419

PHONE: (270) 830-8070
EMAIL: bailey.surveys@gmail.com

CURRENT ZONING
N/A

FIELD DATE
SEPTEMBER 2, 2025

SCALE
1" = 50 FT

PVA #1-26-5-13
DWG NAME - JOHNSTON

SURVEYOR'S CERTIFICATION
I hereby certify that the survey depicted by this plat was prepared under my direct supervision by utilizing a 225 channel GNSS Topcon HiPer VR GPS Receiver unit having a relative horizontal positional accuracy of 10mm + 1.0ppm. The bearings and distances shown hereon have not been adjusted for closure and the basis of the bearings shown hereon is SPC83-Kentucky (South), Geoid 2018. All monuments shown hereon actually exist and the information shown hereon is correct to the best of my knowledge and belief. This survey meets the specifications of an Urban survey and complies with 201 KAR 18:150.

Bruce K. Bailey, PLS #2939

Date

LINE	BEARING	DISTANCE
L1	S 50°12'10" E	15.00 FT
L2	N 51°27'10" W	15.00 FT

LIST OF ABUTTING PROPERTY OWNERS

Request for closure of unimproved public right-of-way being an alley located between 216 Highland Drive, 220 Turner Avenue, and 1216 S. Main Street.

Husk Holdings, LLC
220 Turner Avenue
Henderson, KY 42420

Abby Johnston (formerly Abby Powell)
216 Highland Drive
Henderson, KY 42420

Gerald & Carolyn Williams
1215 S. Main Street
Henderson, KY 42420

Teresa A. Bellew
1224 S. Main Street
Henderson, KY 4242

Madden, Donna L.

From: Boom, Doug.
Sent: Tuesday, June 10, 2025 3:56 PM
To: Madden, Donna L.
Cc: Bart Boles; Brandon Jones; Calvert, Aaron; Chuck Tucker; Clayton, Tim R.; Joe Mattingly; Matt Deibler; Matthew Calvert; Williams, Brian; Newman, William L.; Basham, Jenna L.; Boom, Doug.
Subject: City ROW Closing of Unimproved Alley between 216 Highland Dr, 220 Turner Ave and 1216 South Main and City ROW along 216 Highland Dr.
Attachments: 216 Highland Dr MAP.pdf

Donna,

I have contacted all the City Maintained Utilities as well as Public Works with respect to the Closing Request of the unimproved ROW Closing of Unimproved Alley between 216 Highland Dr, 220 Turner Ave and 1216 South Main and City ROW along 216 Highland Dr.

The following are comments received from the City Maintained Utilities and Public Works for this request.

HMG has no facilities inside the noted area between 216 Highland and 220 Turner. HMG has a gas main that follows alongside the road as indicated.

HWU's Services are located within the improved ROW. HWU is clear of the proposed closures.

HMPL has no issues.

Public Works has no issues.

As indicated in the original request by Mr. Johnson will most like want to request additional unimproved ROW of Turner Ave along 216 Highland Dr, based on the actual location of HWU and HMG low pressure Gas main in City ROW of Turner Ave. Mr. Johnson's Surveyor needs to contact 811 and verify the location of those two utilities in the Turner Ave ROW.

If you have any questions, please let me know.

Doug Boom, P.E.
City Engineer
City of Henderson
222 First Street
Henderson, KY 42420
Phone: 270.831.1200
Direct: 270.831.4946
Fax: 270.831.1206
drboom@hendersonky.gov

Madden, Donna L.

From: Williams, Brian
Sent: Friday, June 6, 2025 6:16 AM
To: Boom, Doug.; Bart Boles; Brandon Jones; Calvert, Aaron; Chuck Tucker; Clayton, Tim R.; Joe Mattingly; Matt Deibler; Matthew Calvert
Cc: Newman, William L.; Madden, Donna L.; Basham, Jenna L.
Subject: RE: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

Public Works has no issue with this request.

Brian

From: Boom, Doug. <DRBoom@hendersonky.gov>
Sent: Thursday, June 5, 2025 4:24 PM
To: Bart Boles <bolesb@hkywater.org>; Brandon Jones <bjones@hmpl.net>; Calvert, Aaron <ARCalvert@hendersonky.gov>; Chuck Tucker <ctucker@hmpl.net>; Clayton, Tim R. <TRClayton@hendersonky.gov>; Joe Mattingly <Joe.Mattingly@hkywater.org>; Matt Deibler <mdeibler@hmpl.net>; Matthew Calvert <matt.calvert@hkywater.org>; Williams, Brian <RBWilliams@hendersonky.gov>
Cc: Newman, William L. <wlnewman@hendersonky.gov>; Madden, Donna L. <DLMadden@hendersonky.gov>; Boom, Doug. <DRBoom@hendersonky.gov>; Basham, Jenna L. <JLBasham@hendersonky.gov>
Subject: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

Gentlemen:

City Manager's Office has received a request from Justin & Abby Johnson located at 216 Highland Drive, on closure of City ROW of Unimproved Alley located between 216 Highland Drive, 220 Turner Ave and 1216 South Main. As well City ROW (Turner Ave) along east property line of 216 Highland Drive. The additional ROW closure along Turner Ave ROW may extend to the north bounded by the sewer line. I have indicated to Mr. Johnson that this would depend on the exhibit plat showing the extent of the Sanitary Sewer and low-Pressure Gas Main in the area.

Attached is a copy of the request below, and a GIS map of proposed closure area, please review and notify me if any utility lines occupy the area in question and if your departments wish to oppose the closure.

If you have any questions, please let me know.

Doug Boom, P.E.
City Engineer
City of Henderson
222 First Street
Henderson, KY 42420
Phone: 270.831.1200
Direct: 270.831.4946
Fax: 270.831.1206
drboom@hendersonky.gov

Madden, Donna L.

From: Calvert, Aaron
Sent: Friday, June 6, 2025 10:48 AM
To: Boom, Doug.; Bart Boles; Brandon Jones; Chuck Tucker; Clayton, Tim R.; Joe Mattingly; Matt Deibler; Matthew Calvert; Williams, Brian
Cc: Newman, William L.; Madden, Donna L.; Basham, Jenna L.
Subject: RE: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

HMG is clear inside the City ROW. HMG has no facilities inside the noted area between 216 Highland and 220 Turner. HMG has a gas main that follows alongside the road as indicated.

Aaron R. Calvert, P.E.
Gas Compliance Engineer
Henderson Municipal Gas
1449 Corporate Ct.
Henderson, KY 42420
arcalvert@hendersonky.gov
Office: 270-831-4931



From: Boom, Doug. <DRBoom@hendersonky.gov>
Sent: Thursday, June 5, 2025 4:24 PM
To: Bart Boles <bolesb@hkywater.org>; Brandon Jones <bjones@hmpl.net>; Calvert, Aaron <ARCalvert@hendersonky.gov>; Chuck Tucker <ctucker@hmpl.net>; Clayton, Tim R. <TRClayton@hendersonky.gov>; Joe Mattingly <Joe.Mattingly@hkywater.org>; Matt Deibler <mdeibler@hmpl.net>; Matthew Calvert <matt.calvert@hkywater.org>; Williams, Brian <RBWilliams@hendersonky.gov>
Cc: Newman, William L. <wlnewman@hendersonky.gov>; Madden, Donna L. <DLMadden@hendersonky.gov>; Boom, Doug. <DRBoom@hendersonky.gov>; Basham, Jenna L. <JLBasham@hendersonky.gov>
Subject: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

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Madden, Donna L.

From: Mattingly, Joe <joe.mattingly@hkywater.org>
Sent: Tuesday, June 10, 2025 8:58 AM
To: Boom, Doug.; Bart Boles; Brandon Jones; Calvert, Aaron; Chuck Tucker; Clayton, Tim R.; Matt Deibler; Calvert, Matt; Williams, Brian
Cc: Newman, William L.; Madden, Donna L.; Basham, Jenna L.
Subject: [External] Re: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Sorry for the delay. I had to research this a bit. HWU's Services are located within the improved ROW. HWU is clear of the proposed closures.

Joe Mattingly

Project Manager
Henderson Water Utility
1383 Commonwealth Drive
Henderson, KY 42420
joe.mattingly@hkywater.org
Office: (270) 869-6620
Cell: (270) 823-6427

From: Boom, Doug. <DRBoom@hendersonky.gov>
Sent: Thursday, June 5, 2025 4:23 PM
To: Boles, Bart <bart.boles@hkywater.org>; Brandon Jones <bjones@hmpl.net>; Calvert, Aaron <ARCalvert@hendersonky.gov>; Chuck Tucker <ctucker@hmpl.net>; Clayton, Tim R. <TRClayton@hendersonky.gov>; Mattingly, Joe <joe.mattingly@hkywater.org>; Matt Deibler <mdeibler@hmpl.net>; Calvert, Matt <matt.calvert@hkywater.org>; rbwilliams@cityofhendersonky.org <rbwilliams@hendersonky.gov>
Cc: wlnewman@hendersonky.gov <wlnewman@hendersonky.gov>; Madden, Donna L. <DLMadden@hendersonky.gov>; Boom, Doug. <DRBoom@hendersonky.gov>; Basham, Jenna L. <JLBasham@hendersonky.gov>
Subject: City ROW Closing of Unimproved Alley between 216 Highland Drive, 220 Turner Ave and 1216 S Main. As well as Turner Ave ROW along 216 Highland Drive

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City Manager's Office has received a request from Justin & Abby Johnson located at 216 Highland Drive, on closure of City ROW of Unimproved Alley located between 216 Highland Drive, 220 Turner Ave and 1216 South Main. As well City ROW (Turner Ave) along east property line of 216 Highland Drive. The additional ROW closure along Turner Ave ROW may extend to the north bounded by the sewer line. I have indicated to Mr. Johnson that this would depend on the exhibit plat showing the extent of the Sanitary Sewer and low-Pressure Gas Main in the area.

Attached is a copy of the request below, and a GIS map of proposed closure area, please review and notify me if any utility lines occupy the area in question and if your departments wish to oppose the closure.

If you have any questions, please let me know.



**City ROW Closing of Unimproved Alley near 216 Highland Drive, 220 Turner Avenue and 1216 South Main.
City ROW (Turner Ave) along 216 Highland Drive**

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Husk Holdings, LLC**, 220 Turner Ave. HENDERSON, KY 42420, after being duly sworn, state that they are the owners of a portion of property abutting a public right-of-way as shown on the plat attached hereto, and as said owners do hereby consent in writing to the right-of-way closing of said properties as described as follows, and attachments to-wit:

A certain tract or parcel located on the southwest side of Highland Drive, in the City of Henderson, in Henderson County, Kentucky and being more specifically described as follows:

Unless stated otherwise, any monument referred to herein as a "set iron pin" is a 1/2" diameter rebar, 18" in length set with an orange plastic cap stamped "PLS #2939". All bearings stated herein are referred to the 1983 NAD Kentucky South Zone coordinate system.

Beginning at an iron pin set at the northeast corner of the Abby L. Powell property described in Deed Book 653 Page 253 (See also Deed Book 101 Page 392) and on the southwest right-of-way line of Highland Drive; thence along southwest right-of-way line of said Highland Drive, South 50 DEGREES 12 MINUTES 10 SECONDS East, a distance of 15.00 feet to an iron pin set at a corner of the right-of-way line of said Highland Drive; thence along the right-of-way line of said Highland Drive, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 82.22 feet to an iron pin set at another corner of the right-of-way of Highland Drive, said iron pin also located at the easternmost corner of Turner Avenue, said iron pin also located at the northwestern corner of the Husk Holdings, LLC. property described in Deed Book 681 Page 499 (See also Deed Book 70 Page 210); thence along the northwest line of the Husk Holdings, LLC. property, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 121.00 feet to an iron pin set at the southeast corner of said Husk Holdings, LLC. property and on the northeast line of the Teresa A. Bellew property described in Deed Book 542 Page 79 (See also Deed Book 139 Page 398); thence along the northeast line of the said Teresa A. Bellew property, North 51 DEGREES 27 MINUTES 10 SECONDS West, a distance of 15.00 feet to an iron pin set on the northeast line the said Teresa A. Bellew property and at the southeast corner of the Gerald T. & Carolyn Williams property described in Deed Book 278 Page 743; thence along the southeast line of said

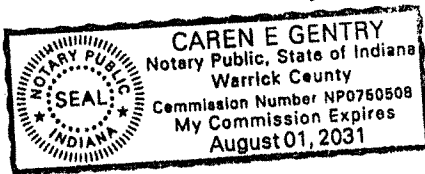
Gerald T. & Carolyn Williams property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 80.00 feet to an iron pin found at the easternmost corner of said Gerald T. & Carolyn Williams property and at the southeast corner of the Abby L. Powell property described in Deed Book 653 Page 253; thence along the southeast line of said Abby L. Powell property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 123.55 feet to the point of beginning and containing 3051 square feet. This description was prepared from a physical survey conducted under the direction of Bruce K. Bailey, PLS #2939 of Bailey Surveys, Inc. on September 2, 2025.

As abutting property owners, **Husk Holdings** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.

Husk Holdings LLC
By: Zach Husk
Zach Husk, Owner/Authorized Representative

SIGNED, ACKNOWLEDGED AND SWORN to before me by Zach Husk
this 9th day of Oct, 2025

My commission expires

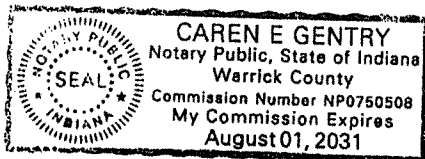


8/1/31
Caren E Gentry
Notary Public
NP0750508
Serial Number, if any

(Seal)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by Zach Husk this 9th day of Oct, 2025

My commission expires



8/1/31
Caren E Gentry
Notary Public
NP0750508
Serial Number, if any

(Seal)

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, Abby L. Johnston (formerly known as Abby L. Powell) , 216 Highland Dr. HENDERSON, KY 42420 , after being duly sworn, state that they are the owners of a portion of property abutting a public right-of-way as shown on the plat attached hereto, and as said owners do hereby consent in writing to the right-of-way closing of said properties as described as follows, and attachments to-wit:

A certain tract or parcel located on the southwest side of Highland Drive, in the City of Henderson, in Henderson County, Kentucky and being more specifically described as follows:

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along the southeast line of said Gerald T. & Carolyn Williams property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 80.00 feet to an iron pin found at the easternmost corner of said Gerald T. & Carolyn Williams property and at the southeast corner of the Abby L. Johnston (formerly known as Abby L. Powell) property described in Deed Book 653 Page 253; thence along the southeast line of said Abby L. Johnston (formerly known as Abby L. Powell) property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 123.55 feet to the point of beginning and containing 3051 square feet. This description was prepared from a physical survey conducted under the direction of Bruce K. Bailey, PLS #2939 of Bailey Surveys, Inc. on September 2, 2025.

As abutting property owners, Abby L. Johnston (formerly known as Abby L. Powell) have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right -of-way in accordance with KRS 82.405, as amended.

Abby L. Johnston
(f/k/a Abby Powell)

Abby L. Johnston (Powell)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by *Abby L. Johnston* this *9th* day of *Oct.*, 2025

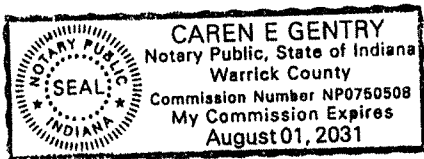
AKA Powell
My commission expires

8/1/31

Caren E Gentry
Notary Public

NP0750508

Serial Number, if any



(Seal)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by *Abby L. Johnston* this *9th* day of *Oct*, 2025

AKA Powell

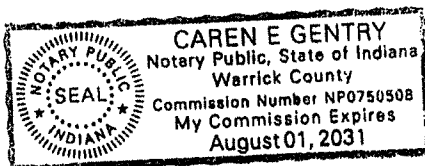
My commission expires

8/1/31

Caren E Gentry
Notary Public

NP0750508

Serial Number, if any



(Seal)

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Gerald & Carolyn Williams** , 1216 S MAIN ST
HENDERSON, KY 42420 , after being duly sworn, state that they are the owners of a portion of
property abutting a public right-of-way as shown on the plat attached hereto, and as said
owners do hereby consent in writing to the right-of-way closing of said properties as
described as follows, and attachments to-wit:

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As abutting property owners, **Gerald & Carolyn Williams** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.

Carolyn Williams
Gerald Williams
Name

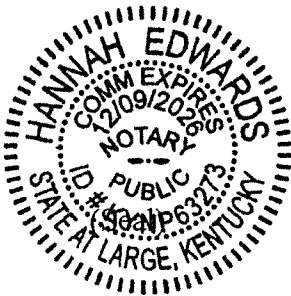
Gerald & Carolyn Williams
Print Name

SIGNED, ACKNOWLEDGED AND SWORN to before me by *Carolyn Williams*
this 11 day of October, 2025

My commission expires 12-09-2026

Hannah Edwards
Notary Public

KYNPE3273
Serial Number, if any

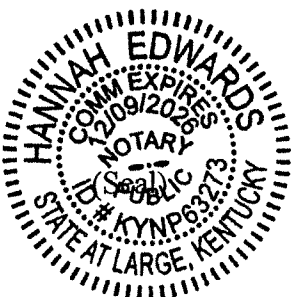


SIGNED, ACKNOWLEDGED AND SWORN to before me by *Gerald Williams*
this 11 day of October, 2025

My commission expires 12-09-2026

Hannah Edwards
Notary Public

KYNPE3273
Serial Number, if any



CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Teresa Bellew** , 1224 S MAIN ST
HENDERSON, KY 42420 , after being duly sworn, state that they are the owners of a portion of
property abutting a public right-of-way as shown on the plat attached hereto, and as said
owners do hereby consent in writing to the right-of-way closing of said properties as
described as follows, and attachments to-wit:

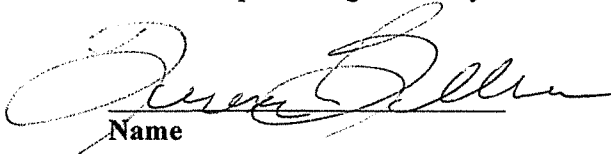
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As abutting property owners, **Teresa Bellew** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.


Name

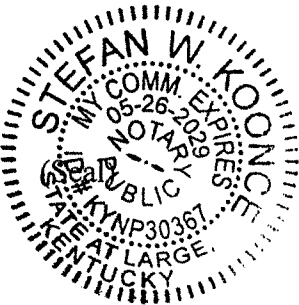
Teresa Bellew
Print Name

SIGNED, ACKNOWLEDGED AND SWORN to before me by Teresa Bellew
this 10th day of Nov., 2025

My commission expires 5-26-29

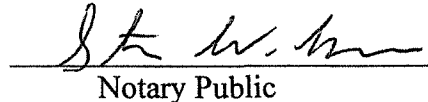

Notary Public

Kynp30367
Serial Number, if any

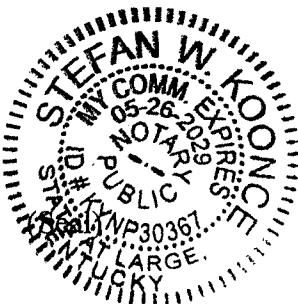


SIGNED, ACKNOWLEDGED AND SWORN to before me by Teresa Bellew
10th this _____ day of Nov., 2025

My commission expires 5-26-29


Notary Public

Kynp30367
Serial Number, if any



ORDINANCE NO. _____

**ORDINANCE CLOSING PUBLIC RIGHT-OF-WAY BETWEEN
216 HIGHLAND DRIVE AND 220 TURNER AVENUE**

SUMMARY: AN ORDINANCE CLOSING PUBLIC RIGHT-OF-WAY WHICH IS APPROXIMATELY 3,051 TOTAL SQUARE FEET OF UNIMPROVED ALLEYWAY LOCATED AT EAST SIDE OF 220 TURNER AVENUE, ALONG THE WEST SIDE OF 1216 SOUTH MAIN STREET AND ALONG 216 HIGHLAND DRIVE

WHEREAS, the City of Henderson has petitioned for the closing of a certain public right-of-way which is approximately 3,051 total square feet of unimproved alleyway located to the East Side of 220 Turner Avenue and the West Side of 1216 South Main Street, along 216 Highland Drive, more specifically shown by plat marked Exhibit "A", which is attached hereto and made a part hereof by reference; and

WHEREAS, it appears that the best interest of the residents of Henderson, Kentucky would be served by the closing of said public right-of-way; and

WHEREAS, it appears that the closing of said right-of-way would enhance the value of the property affected thereby and would not create a hardship on any of the adjoining property owners or other persons with any interest therein; and

WHEREAS, under KRS 82.405(2), the Board of Commissioners of the City of Henderson, Kentucky, makes the following findings of fact:

(a) that the identity of all property owners in or abutting the above referred to public right-of-way or portions thereof to be closed has been made; and

(b) that the requirement contained in KRS 82.405 (2) (b) that written notice of the proposed closing has been given to all property owners in or abutting the public right-of-way or any portion thereof being closed; and

(c) that Husk Holdings, LLC, Abby Johnston, Gerald and Carolyn Williams, and Teresa A. Bellew are the owners of properties adjoining the public way or portion thereof being closed and have given their written notarized consents to the closing, and a notarized copy of such consents which contain a description of the public way to be closed are attached hereto and made a part hereof, collectively marked Exhibit "B".

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky, that under the provisions of KRS 82.405, as amended, relating to the closing of public ways, the right-of-way which is approximately 3,051 total square feet of unimproved alleyway located at

the back of 540 Second Street in the City of Henderson and running between N. Adams Street towards N. Ingram Street, minus a 100 foot section that is to remain open coming from N. Ingram Street, and more specifically shown by plat marked Exhibit "A", which is attached hereto and made a part hereof by reference, is hereby closed.

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon its legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

Commissioner Hargis:	_____	Commissioner Whitt:	_____
Commissioner Thomas:	_____	Mayor Staton:	_____
Commissioner Pruitt:	_____		

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

Date: _____

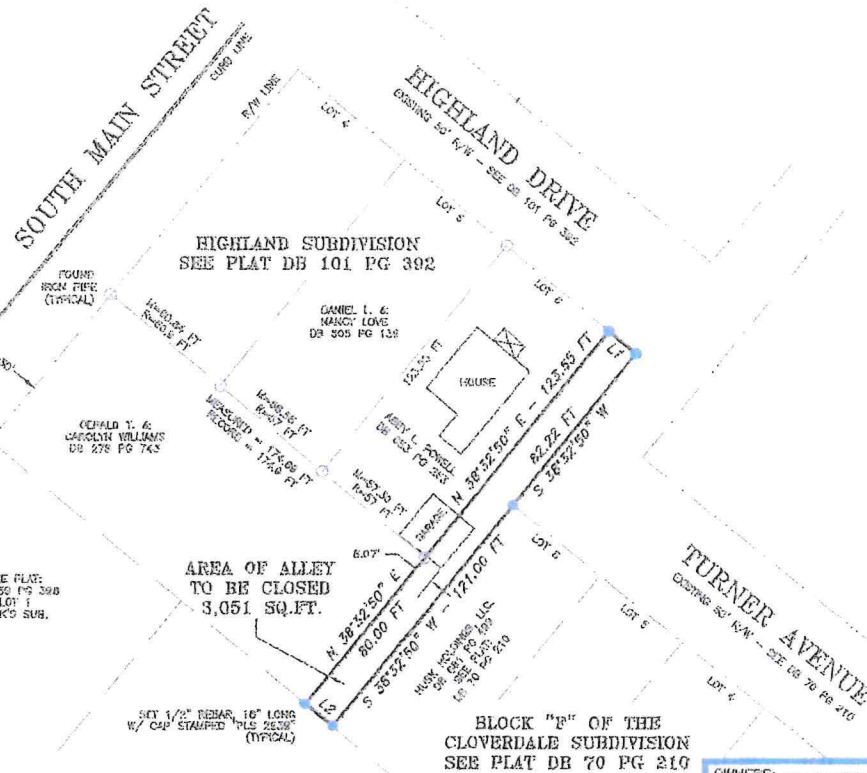
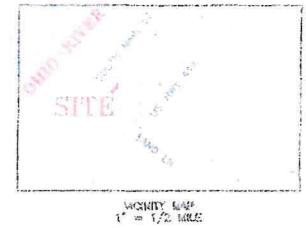
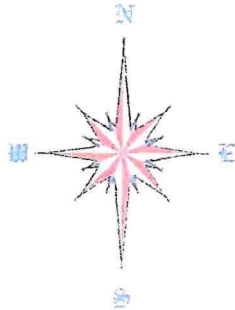
ATTEST:

Jessa Brandon, City Clerk

APPROVED AS TO FORM AND
LEGALITY THIS 10TH DAY OF
JANUARY, 2026.

By: _____

Dawn Kelsey
City Attorney



SURVEY PLAT
PROPOSED ALLEY CLOSING
HIGHLAND DRIVE
HENDERSON, KENTUCKY

SURVEYOR'S CERTIFICATION
I hereby certify that the survey depicted by this plat was prepared under my direct supervision by utilizing a 228 channel GNSS Topcon Hiper VR GPS Receiver and having a relative horizontal positional accuracy of 10mm + 1.0ppm. The bearings and distances shown herein have not been adjusted for closure and the basis of the bearings shown herein is SPCE3-Kentucky (South), 2010. All monuments shown herein actually exist and the information shown herein is correct to the best of my knowledge and belief. **BAILEY SURVEYS** meets the specifications of an Urban survey and complies with 201 KAR 18:150.

Bruce K. Bailey 9-11-25
Bruce K. Bailey, PLS #2836 Date

TERESA A. GILLEN
DE 242 PG 79
SEE PLAT
DE 126 PG 265
LOT 7
WICK'S SUB.

LINE	BEARING	DISTANCE
L1	S 50°12'10" E	15.00 FT
L2	N 51°27'10" W	15.00 FT

OWNERS: CITY OF HENDERSON
PO BOX 716
HENDERSON, KY 42419

CLIENT: JUSTIN JOHNSTON
210 HIGHLAND DRIVE
HENDERSON, KY 42420

STATE OF KENTUCKY
BRUCE K.
BAILEY
2938
LICENSED
PROFESSIONAL
LAND SURVEYOR

SOURCE OF TITLE:
DE 70 PG 210
DE 101 PG 342

PROPERTY LOCATION:
HIGHLAND DRIVE
HENDERSON, KY 42420

BAILEY SURVEYS
P.O. BOX 1288
HENDERSON, KY 42418
PHONE: (270) 830-8070
EMAIL: bailey.surveys@gmail.com

CURRENT ZONING
N/A

FIELD DATE
SEPTEMBER 2, 2025

SCALE
1" = 50 FT

PVA #1-26-5-13
DWG NAME - JOHNSTON

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Husk Holdings, LLC**, 220 Turner Ave. HENDERSON, KY 42420, after being duly sworn, state that they are the owners of a portion of property abutting a public right-of-way as shown on the plat attached hereto, and as said owners do hereby consent in writing to the right-of-way closing of said properties as described as follows, and attachments to-wit:

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As abutting property owners, **Husk Holdings** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.

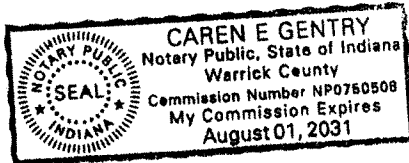
Husk Holdings, LLC

By: Zach Husk
Zach Husk, Owner/Authorized Representative

SIGNED, ACKNOWLEDGED AND SWORN to before me by Zach Husk
this 9th day of Oct, 2025

My commission expires

8/1/31



Caren E Gentry
Notary Public

NP0750508

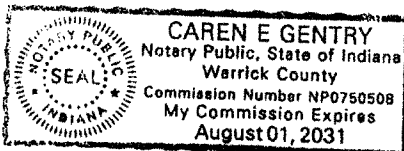
Serial Number, if any

(Seal)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by Zach Husk this 9th day of Oct, 2025

My commission expires

8/1/31



Caren E Gentry
Notary Public

NP0750508

Serial Number, if any

(Seal)

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, Abby L. Johnston (formerly known as Abby L. Powell) , 216 Highland Dr. HENDERSON, KY 42420 , after being duly sworn, state that they are the owners of a portion of property abutting a public right-of-way as shown on the plat attached hereto, and as said owners do hereby consent in writing to the right-of-way closing of said properties as described as follows, and attachments to-wit:

A certain tract or parcel located on the southwest side of Highland Drive, in the City of Henderson, in Henderson County, Kentucky and being more specifically described as follows:

Unless stated otherwise, any monument referred to herein as a "set iron pin" is a 1/2" diameter rebar, 18" in length set with an orange plastic cap stamped "PLS #2939". All bearings stated herein are referred to the 1983 NAD Kentucky South Zone coordinate system.

Beginning at an iron pin set at the northeast corner of the Abby L. Johnston (formerly known as Abby L. Powell) property described in Deed Book 653 Page 253 (See also Deed Book 101 Page 392) and on the southwest right-of-way line of Highland Drive; thence along southwest right-of-way line of said Highland Drive, South 50 DEGREES 12 MINUTES 10 SECONDS East, a distance of 15.00 feet to an iron pin set at a corner of the right-of-way line of said Highland Drive; thence along the right-of-way line of said Highland Drive, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 82.22 feet to an iron pin set at another corner of the right-of-way of Highland Drive, said iron pin also located at the easternmost corner of Turner Avenue, said iron pin also located at the northwestern corner of the Husk Holdings, LLC. property described in Deed Book 681 Page 499 (See also Deed Book 70 Page 210); thence along the northwest line of the Husk Holdings, LLC. property, South 38 DEGREES 32 MINUTES 50 SECONDS West, a distance of 121.00 feet to an iron pin set at the southeast corner of said Husk Holdings, LLC. property and on the northeast line of the Teresa A. Bellew property described in Deed Book 542 Page 79 (See also Deed Book 139 Page 398); thence along the northeast line of the said Teresa A. Bellew property, North 51 DEGREES 27 MINUTES 10 SECONDS West, a distance of 15.00 feet to an iron pin set on the northeast line the said Teresa A. Bellew property and at the southeast corner of the Gerald T. & Carolyn Williams property described in Deed Book 278 Page 743; thence

along the southeast line of said Gerald T. & Carolyn Williams property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 80.00 feet to an iron pin found at the easternmost corner of said Gerald T. & Carolyn Williams property and at the southeast corner of the Abby L. Johnston (formerly known as Abby L. Powell) property described in Deed Book 653 Page 253; thence along the southeast line of said Abby L. Johnston (formerly known as Abby L. Powell) property, North 38 DEGREES 32 MINUTES 50 SECONDS East, a distance of 123.55 feet to the point of beginning and containing 3051 square feet. This description was prepared from a physical survey conducted under the direction of Bruce K. Bailey, PLS #2939 of Bailey Surveys, Inc. on September 2, 2025.

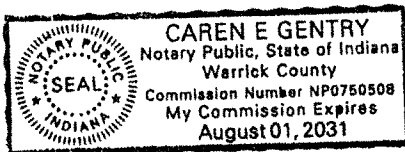
As abutting property owners, Abby L. Johnston (formerly known as Abby L. Powell) have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.

Abby L. Johnston
(f/k/a Abby Powell)

Abby L. Johnston (Powell)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by Abby L. Johnston this 9th day of Oct., 2025

AKA Powell
My commission expires 8/1/31



Caren E Gentry
Notary Public

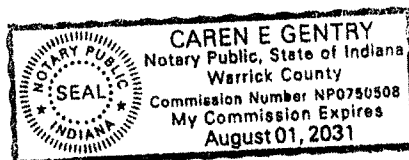
NP0750508

Serial Number, if any

(Seal)

SIGNED, ACKNOWLEDGED AND SWORN to before
me by Abby L. Johnston this 9th day of Oct, 2025

AKA Powell
My commission expires 8/1/31



Caren E Gentry
Notary Public

NP0750508

Serial Number, if any

(Seal)

CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Gerald & Carolyn Williams**, 1216 S MAIN ST
HENDERSON, KY 42420, after being duly sworn, state that they are the owners of a portion of
property abutting a public right-of-way as shown on the plat attached hereto, and as said
owners do hereby consent in writing to the right-of-way closing of said properties as
described as follows, and attachments to-wit:

A certain tract or parcel located on the southwest side of Highland Drive, in the City of
Henderson, in Henderson County, Kentucky and being more specifically described as
follows:

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West, a distance of 15.00 feet to an iron pin set on the northeast line the said Teresa A.
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property described in Deed Book 278 Page 743; thence along the southeast line of said

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As abutting property owners, **Gerald & Carolyn Williams** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.

Carolyn Williams
Thomas Williams
Name

Gerald & Carolyn Williams
Print Name

SIGNED, ACKNOWLEDGED AND SWORN to before me by *Carolyn Williams*
this 12 day of October, 2025

My commission expires 12-09-2026

Hannah Edwards
Notary Public

KYNPL63273
Serial Number, if any



SIGNED, ACKNOWLEDGED AND SWORN to before me by *Gerald Williams*
this 12 day of October, 2025

My commission expires 12-09-2026

Hannah Edwards
Notary Public

KYNPL63273
Serial Number, if any



CONSENT TO RIGHT-OF WAY CLOSING

STATE OF Kentucky

COUNTY OF Henderson.

COMES the undersigned, **Teresa Bellew** , 1224 S MAIN ST
HENDERSON, KY 42420 , after being duly sworn, state that they are the owners of a portion of
property abutting a public right-of-way as shown on the plat attached hereto, and as said
owners do hereby consent in writing to the right-of-way closing of said properties as
described as follows, and attachments to-wit:


A certain tract or parcel located on the southwest side of Highland Drive, in the City of
Henderson, in Henderson County, Kentucky and being more specifically described as
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property and on the northeast line of the Teresa A. Bellew property described in Deed
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West, a distance of 15.00 feet to an iron pin set on the northeast line the said Teresa A.
Bellew property and at the southeast corner of the Gerald T. & Carolyn Williams
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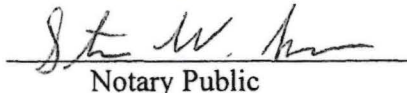
As abutting property owners, **Teresa Bellew** have been given written notice of the proposed closing, and hereby give written notarized consent to the closing of the above-described public right-of-way in accordance with KRS 82.405, as amended.


Name

Teresa Bellew
Print Name

SIGNED, ACKNOWLEDGED AND SWORN to before me by Teresa Bellew
this 10th day of Nov., 2025

My commission expires 5-26-29

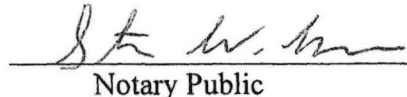

Notary Public

Kyp30367
Serial Number, if any



SIGNED, ACKNOWLEDGED AND SWORN to before me by Teresa Bellew
10th this Nov. day of Nov., 2025

My commission expires 5-26-29


Notary Public

Kyp30367
Serial Number, if any



City Commission Memorandum
26-33

January 21, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Acceptance of Public Improvements – Gray Stone Subdivision

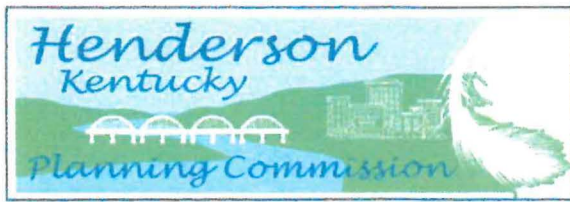
An item for consideration at the Tuesday, January 27, 2026, meeting is first reading of an ordinance accepting public improvements consisting of sidewalks throughout Gray Stone Subdivision.

Included in this acceptance is installation of 9,101 linear feet of 4-foot wide concrete sidewalks along both sides of the following streets: Woodspoint Drive (from Green River Road to Copper Creek Drive); Copper Creek Drive (from Lot 231 to the cul-de-sac); Hickory Wood Court (from Copper Creek Drive to the cul-de-sac); Field Stone Drive (from Hickory Wood Court to the cul-de-sac); and Gray Stone Court (from Field Stone Drive to the cul-de-sac).

The new improvements are in accordance with the public improvement specifications, and final inspection was performed by the Henderson City Engineering Department. The public improvements were recommended for acceptance at a meeting of the Henderson City-County Planning Commission held on January 6, 2026.

Your approval of the attached ordinance is requested.

c: Brian Bishop
Dawn Kelsey



Henderson City-County Planning Commission
1990 Barret Ct. Suite C
Henderson, KY 42420

Jennifer Allen
Assistant Director

January 14, 2026

Mayor Brad Staton
City Commissioners
Municipal Center
Henderson, KY 42420

RE: Acceptance of Sidewalks throughout Gray Stone Subdivision

Dear Mayor and Commissioners:

Please be advised Tuesday January 6, 2026, the Henderson City-County Planning Commission took official action to recommend acceptance of the following:

Gray Stone Subdivision

Sidewalks

9,101 linear feet of 4' wide, concrete sidewalks along the following streets: Woodspoint Drive (from Green River Road to Copper Creek Dr.), Hickory Wood Court, Field Stone Drive, and Gray Stone Court (see attached map).

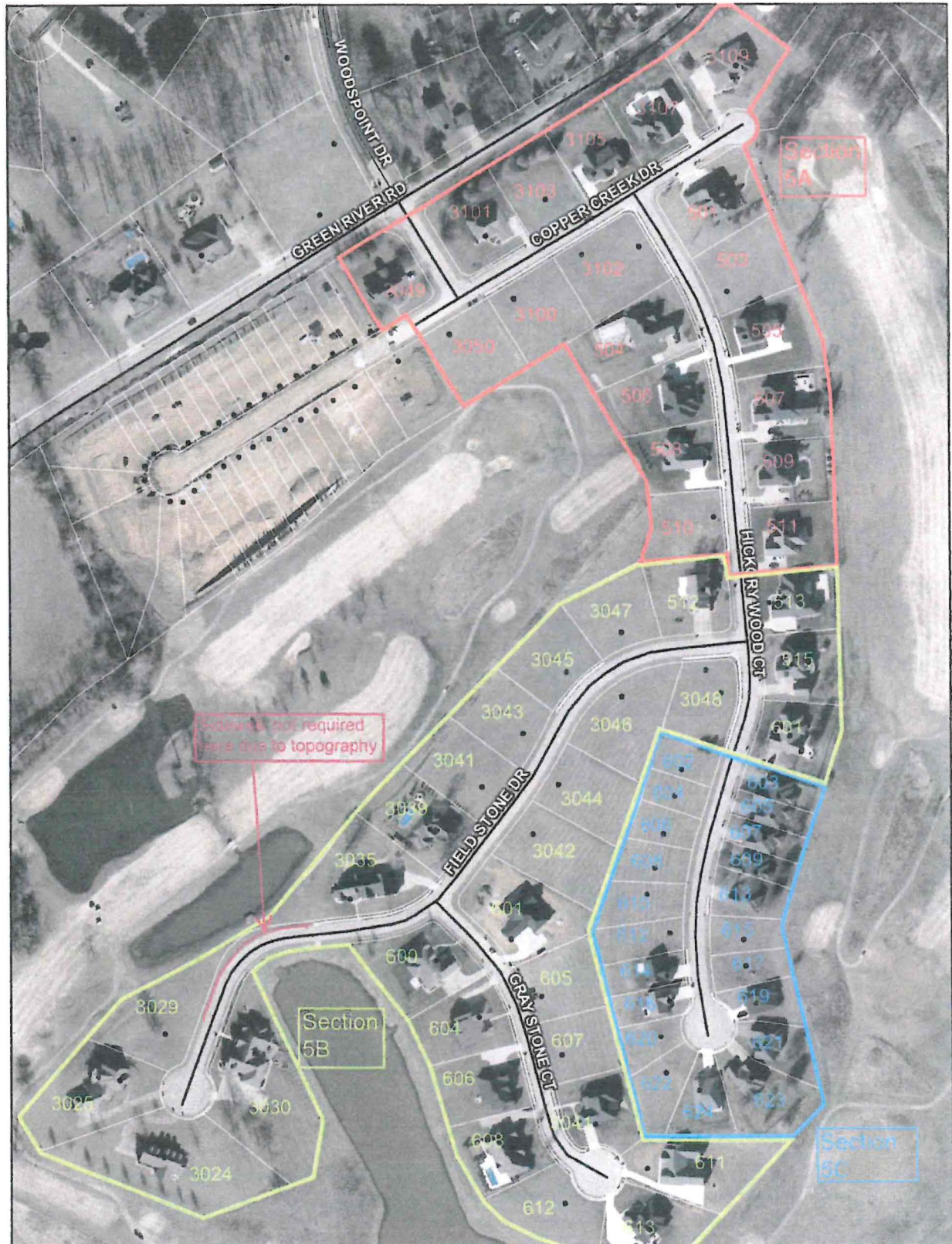
These improvements were constructed in accordance with the public improvement specifications and final inspection was performed by the Henderson City Engineering Department. The Henderson City-County Planning Commission at this time request your consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read "J. Allen".

Jennifer Allen
Assistant Executive Director
Henderson City/County Planning Commission

C: Dawn Kelsey, City Attorney
Dylan Ward, City Manager



Gray Stone Subdivision Section 5A, 5B, & 5C

Approximately 9,101 linear feet of four-foot-wide concrete sidewalk along both sides of the following streets (unless otherwise noted on the map): Woodspoint Drive from Green River Road to Copper Creek Drive; Copper Creek Drive from Lot 231 to the cul-de-sac; Hickory Wood Court from Copper Creek Drive to the cul-de-sac; Field Stone Drive from Hickory Wood Court to the cul-de-sac; and Gray Stone Court from Field Stone Drive to the cul-de-sac.

ORDINANCE NO. _____

ORDINANCE ACCEPTING PUBLIC IMPROVEMENTS

SUMMARY: AN ORDINANCE ACCEPTING PUBLIC IMPROVEMENTS CONSISTING OF SIDEWALKS THROUGHOUT GRAY STONE SUBDIVISION.

WHEREAS, it was recommended by Henderson City-County Planning Commission staff that public improvements consisting of sidewalks throughout Gray Stone Subdivision, in the City of Henderson be accepted; and

WHEREAS, said improvements have been made in accordance with public improvements specifications and regulations.

NOW, THEREFORE, BE IT ORDAINED by the City of Henderson, Kentucky, that the City hereby accepts certain public improvements, which are generally depicted on the attached drawing, marked Exhibit "A", and consists of the following:

Sidewalks:

9,101 linear feet of 4' wide, concrete sidewalks along the following streets: Woodspoint Drive (from Green River Road to Copper Creek Dr.), Hickory Wood Court, Field Stone Drive and Gray Stone Court (see attached map).

All ordinances or parts of ordinances in conflict herewith are hereby repealed and superseded to the extent of such conflict.

This ordinance shall become effective upon its legal adoption.

On first reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted on its first reading.

On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

WHEREUPON, Mayor Staton declared the ordinance adopted on first reading and ordered that it be presented for second reading at a regular meeting of the Board of Commissioners.

On second reading of the foregoing ordinance, it was moved by Commissioner _____, seconded by Commissioner _____, that the ordinance be adopted.

WHEREUPON, the vote was called, on roll call the vote stood:

PUBLICATION DATE: _____

FIRST READ: _____
SECOND READ: _____

Commissioner Hargis: _____ Commissioner Whitt: _____
Commissioner Thomas: _____ Mayor Staton: _____
Commissioner Pruitt: _____

WHEREUPON, Mayor Staton declared the ordinance adopted, affixed his signature and the date and ordered it be recorded.

Bradley S. Staton, Mayor

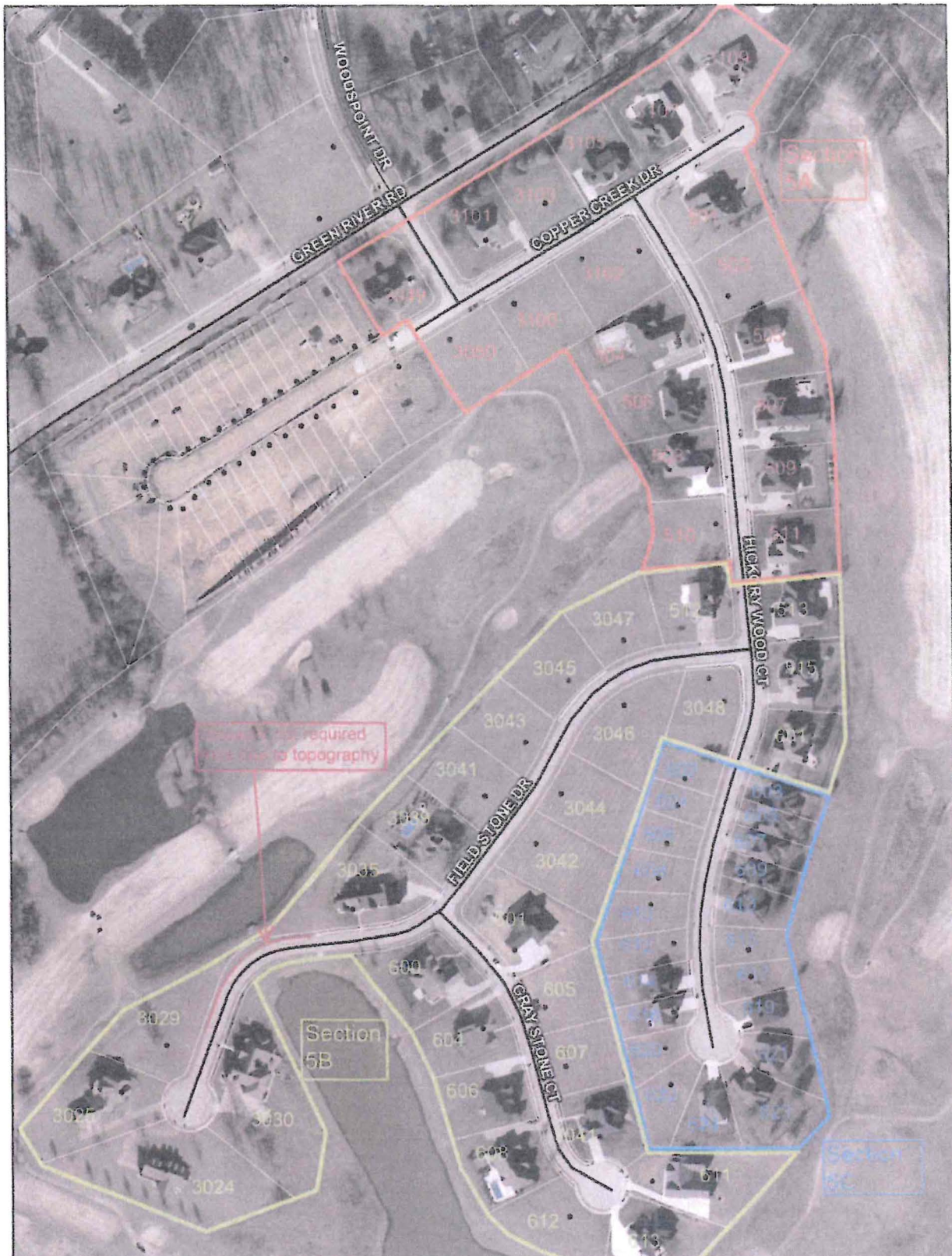
Date: _____

ATTEST:

Jessa Brandon, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 21ST DAY OF
JANUARY 2026.**

By: _____
Dawn Kelsey, City Attorney



Gray Stone Subdivision Section 5A, 5B, & 5C

Approximately 9,101 linear feet of four-foot-wide concrete sidewalk along both sides of the following streets (unless otherwise noted on the map): Woodspoint Drive from Green River Road to Copper Creek Drive; Copper Creek Drive from Lot 231 to the cul-de-sac; Hickory Wood Court from Copper Creek Drive to the cul-de-sac; Field Stone Drive from Hickory Wood Court to the cul-de-sac; and Gray Stone Court from Field Stone Drive to the cul-de-sac.

City Commission Memorandum
26-29

January 21, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Gas Supply Contract

The accompanying municipal order authorizes the execution of a Gas Supply Contract with the Public Energy Authority of Kentucky, Inc. (PEAK) for the sale and purchase of natural gas.

This contract establishes the framework under which the City of Henderson will obtain natural gas from PEAK for resale to Pratt Paper (KY) LLC ("Pratt"). Specifically, Henderson seeks to enter into a Gas Supply Contract with PEAK to purchase natural gas supplies from PEAK's Prepaid Project for resale to Pratt to meet a portion of the natural gas requirements of Pratt's manufacturing facility located in Henderson, Kentucky, within the City's service territory (the "Plant").

Under this arrangement, PEAK will issue Gas Supply Revenue Bonds to finance the upfront purchase of natural gas to this long-term supply contract. The prepaid structure results in a discounted unit cost for the natural gas purchased. These discounts generate additional revenue for Henderson Municipal Gas, supporting system operations and helping to mitigate the need for future rate increases for existing customers. The financial benefits of the discounted gas are shared equally (50/50) between the City of Henderson and Pratt, providing mutual benefit of Henderson Municipal Gas and Pratt.

The sale of natural gas to Pratt will be conducted pursuant to a NAESB Base Contract for the Sale and Purchase of Natural Gas and the applicable Transaction Confirmation (collectively, the "NAESB Contract").

Under the terms of the Gas Supply Contract, Henderson will purchase natural gas from PEAK under resell such gas to Pratt in accordance with the terms and conditions of the NAESB Contract.

Your approval of the attached municipal order is respectfully requested.

c: Dawn Kelsey
Tim Clayton

Gas Department Memorandum
26-2

January 16, 2026

TO: Dylan H. Ward, City Manager

FROM: Tim Clayton, Gas System Director

SUBJECT: Gas Supply Contract 2026A

Attached is Gas Supply Contract PEAK 2026A, which is a gas supply contract between PEAK and the City of Henderson (COH) pursuant to a natural gas prepaid supply transaction. Also attached is a NAESB Contract in which City of Henderson will agree to sell specified quantities of natural gas to Pratt Paper as part of the prepaid transaction. The City of Henderson's participation in this prepay transaction is specifically for resale of natural gas to Pratt Paper to meet a portion of their energy usage requirements at the Henderson, Kentucky facility.


This gas supply contract with PEAK will help ensure that HMG has secure, reliable, and economic supplies of natural gas to serve industrial customer Pratt Paper KY well into the future. The NAESB contract specifies quantities of natural gas and defines terms of delivery between COH & Pratt Paper.

PEAK will issue gas supply revenue bonds to fund the purchase of natural gas in this long-term supply contract. These bonds will be issued to pay for the supply of natural gas up front resulting in a discount per unit of natural gas purchased in these transactions. These discounts result in additional revenue to HMG to help operate our system and reduce the need for rate increases for our existing customers. These discounts are shared 50/50 between COH and Pratt Paper to the benefit of Henderson Municipal Gas and Pratt Paper, KY.

HMG's execution of this long-term gas supply contract is based on historical gas sales loads at Pratt Paper that have been consistent for several years. There is always a possibility of load loss from our customers in the future. There are temporary and permanent loss provisions written in the contracts to ensure the effect on HMG is minimized in these scenarios.

I am recommending the approval of Gas Supply Contract PEAK 2026A & NAESB Contract.

Respectfully


Tim Clayton
Gas System Director

cc: Donna Madden
William "Buzzy" Newman Jr.
Dawn Kelsey
Chelsea Mills

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER APPROVING A GAS SUPPLY CONTRACT BETWEEN THE CITY OF HENDERSON, KENTUCKY AND PUBLIC ENERGY AUTHORITY OF KENTUCKY; APPROVING A NORTH AMERICAN ENERGY STANDARDS BOARD CONTRACT FOR THE SALE AND PURCHASE OF NATURAL GAS WITH PRATT PAPER (KY) LLC FOR THE SALE OF SAID GAS; AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS; AND ADDRESSING RELATED MATTERS

WHEREAS, the City of Henderson, Kentucky (“Henderson”) is a body politic and corporate, municipal corporation and unit of local government of the Commonwealth of Kentucky; and;

WHEREAS, Henderson owns and operates a municipal utility under authority of the laws of the Commonwealth of Kentucky for the transmission, distribution, sale, and delivery of Gas to retail customers within its service area; and

WHEREAS, the Public Energy Authority of Kentucky (“PEAK”) which was formed pursuant to the Natural Gas Acquisition Authority Act, KRS 353.400 to 353.410, has planned and developed a project to acquire long-term natural gas supplies pursuant to a Prepaid Natural Gas Sales Agreement with a natural gas marketer or a special purpose entity affiliated with a natural gas marketer and created for such purposes (any such entity the “Prepaid Supplier”) for resale to certain other public gas distribution systems that elect to contract with PEAK (the “Project Participants”) for a portion of the gas purchased from the Prepaid Supplier (the “Prepaid Project”); and

WHEREAS, Henderson desires to enter into a Gas Supply Contract with PEAK for the purchase of Gas supplies from the Prepaid Project for resale to Pratt Paper (KY) LLC (“Pratt”), to meet a portion of the requirements at the Pratt manufacturing plant located in Henderson, Kentucky in Henderson’s service territory (the “Plant”)

WHEREAS, the sale of gas to Pratt at the Plant shall be pursuant to a NAESB Base Contract for the Sale and Purchase of Natural Gas and a Transaction Confirmation thereto (the “NAESB Contract”); and

WHEREAS, PEAK will finance the prepayment under, and the other costs of, the Prepaid Project by issuing Gas Supply Revenue Bonds in one or more series (the “Bonds”); and

WHEREAS, Henderson is agreeable to purchasing Gas from PEAK under the terms and conditions set forth in the attached Gas Supply Contract for resale to Pratt in accordance with the terms and conditions set forth in the NAESB Contract.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky, as follows:

- 1) The execution and delivery of a Gas Supply Contract, in substantially the form previously submitted to Henderson and attached hereto as Exhibit A, pursuant to which Henderson will agree to purchase specified quantities of natural gas from PEAK, such deliveries to be made on the dates, at the volumes and for the prices set forth in such Gas Supply Contract, is hereby approved with such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes; and
- 2) The execution and delivery of a NAESB Contract, in substantially the form previously submitted to Henderson and attached hereto as Exhibit B, pursuant to which Henderson will agree to sell specified quantities of natural gas to Pratt Paper, such deliveries to be made on the dates, at the volumes and for the prices set forth in such NAESB Contract, is hereby approved with such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute conclusive evidence of their approval of any such changes; and
- 3) The Mayor or their designee is hereby authorized to execute the Gas Supply Contract, the NAESB Contract, any such other closing documents or certificates which may be required or contemplated in connection with the Prepaid Project, PEAK's Bonds, or carrying out the intent and purpose of this Municipal Order.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

APPROVED AS TO FORM AND
LEGALITY THIS 28TH DAY OF
JANUARY 2020

By: _____

Dawn S. Kelsey
City Attorney



Form of Gas Supply Contract

GAS SUPPLY CONTRACT

BY AND BETWEEN

PUBLIC ENERGY AUTHORITY OF KENTUCKY

AND

CITY OF HENDERSON, KENTUCKY

DATED AS OF _____ 1, 2026

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GAS SUPPLY CONTRACT

PREAMBLE

This Gas Supply Contract (this “Contract”), dated as of [_____] 1, 2026 (the “Effective Date”), is made and entered into by and between City of Henderson, Kentucky, a body politic and corporate, municipal corporation and unit of local government of the Commonwealth of Kentucky (“Gas Purchaser”), and Public Energy Authority of Kentucky, a public agency of the Commonwealth of Kentucky (“PEAK”). Gas Purchaser and PEAK are sometimes hereinafter referred to in this Contract collectively as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS, PEAK is a Natural Gas Acquisition Authority of the Commonwealth of Kentucky formed under the Kentucky Natural Gas Acquisition Act;

WHEREAS, Gas Purchaser is a body politic and corporate, municipal corporation and unit of local government of the Commonwealth of Kentucky;

WHEREAS, PEAK has planned and developed a project to acquire long-term Gas supplies from [GNM Energy Prepay __ LLC], a Delaware limited liability company (“Prepay LLC”), pursuant to a Prepaid Natural Gas Sales Agreement (the “Prepaid Gas Agreement”) to meet a portion of the Gas supply requirements of Gas Purchaser and other Municipal Utilities (together, the “Project Participants”) through a gas prepayment project (the “Prepaid Project”);

WHEREAS, in connection with the execution of this Contract, Prepay LLC shall enter into that certain Gas Purchase, Sale and Service Agreement, dated as of the date hereof with Citadel Energy Marketing LLC, a Delaware limited liability company (“CEM”), pursuant to which (a) Prepay LLC shall acquire natural gas, for sale to PEAK, and (b) CEM shall act as the agent for Prepay LLC in connection with the Prepaid Project;

WHEREAS, Gas Purchaser owns and operates a municipal utility under authority of the laws of the Commonwealth of Kentucky for the transmission, distribution, sale, and delivery of Gas to retail customers within its service area;

WHEREAS, Gas Purchaser desires to enter into an agreement with PEAK for the purchase of Gas supplies that PEAK acquires under the Prepaid Project for sale to a retail industrial customer in its service area, [Pratt Paper (KY) LLC] (“Pratt Paper”), at a plant owned and operated by Pratt Paper in Henderson, Kentucky (the “Henderson Plant”), to meet a portion of Pratt’s Gas requirements for operations at the Henderson Plant, or to any successor entity to Pratt operating the Henderson Plant, or, if Pratt ceases to purchase Gas supplies from Gas Purchaser, to any other industrial customer whose facilities are located in Gas Purchaser’s service area (for the purposes of this Contract, the Henderson Plant and any other such facilities shall be referred to as the “Plant”) that Gas Purchaser contracts with to serve under the terms of its Rate Schedule for service to large volume industrial users established through Resolution No. [_____] (the “Ordinance”), to meet a portion of Pratt’s Gas requirements for operations at the Plant, under the terms and conditions set forth in this Contract (for purposes of this Contract, all such entities and customers shall be referred to as “Downstream Customer”); and

WHEREAS, PEAK will finance the prepayment under, and the other costs of, the Prepaid Project by issuing Bonds;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, PEAK and Gas Purchaser agree as follows.

ARTICLE I

DEFINITIONS AND CONSTRUCTION

1.1 Construction of this Contract. The preamble and the recitals set forth above are incorporated into this Contract for all purposes. References to Articles, Sections, and Exhibits throughout this Contract are references to the corresponding Articles, Sections, and Exhibits of this Contract unless otherwise specified. All Exhibits are incorporated into this Contract for all purposes. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word “include” or “including”, when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

1.2 Definitions. The following terms, when used in this Contract and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context requires otherwise:

- (a) “Alternate Delivery Point” has the meaning specified in Section 3.1.
- (b) “Annual Rebate” means the annual rebate provided by PEAK to Gas Purchaser from moneys on deposit in the Custodial Account and which shall be calculated pursuant to Section [].
- (c) “Annual Refund” means the annual refund, if any, provided to Gas Purchaser and calculated pursuant to the procedures specified in Section 4.4.
- (d) “Applicable Rating Agencies” means, at any given time, each Rating Agency then rating the Bonds.
- (e) “Available Discount” means (i) for the Initial Discount Period, the sum of the Monthly Discount set forth in Exhibit C, the projected Annual Rebate and any projected

Annual Refund; and (ii) for each Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period, which amount shall equal the sum of the Monthly Discount and any anticipated Annual Refund for the applicable Reset Period.

(f) “Board of Directors” means the Board of Directors of PEAK.

(g) “Bond Closing Date” means the first date on which the Bonds are issued pursuant to the Bond Indenture.

(h) “Bond Indenture” means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between PEAK and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Reset Period after the Initial Discount Period between PEAK and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Reset Period.

(i) “Bonds” means PEAK’s Gas Supply Revenue Bonds, [2026 Series A] (including multiple sub-series), issued to finance PEAK’s purchase of Gas from Prepay LLC under the Prepaid Gas Agreement and costs associated therewith, and any Refunding Bonds issued by PEAK under the Bond Indenture.

(j) “Btu” means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the Prepaid Gas Agreement; and provided further that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement shall apply.

(k) “Business Day” means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York, New York, or the Commonwealth of Kentucky, or the designated corporate trust office of the Trustee or the Custodian are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

(l) “Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

(m) “CEM” is defined in the recitals.

(n) “Central Prevailing Time” or “CPT” means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

(o) “Cf” means cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

(p) “Code” means the Internal Revenue Code of 1986, as amended, 26 U.S.C. §1 *et seq.* References herein to the Code or a section of the Code include the U.S. Treasury Regulations thereunder.

(q) “Contract” is defined in the preamble.

(r) “Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Contract, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

(s) “Commodity Swaps” means (i) the transaction confirmations entered into under the ISDA Master Agreements, with respect to the Prepaid Project, by PEAK and each of the Commodity Swap Counterparties, and (ii) each replacement commodity swap entered into pursuant to the Prepaid Gas Agreement.

(t) “Commodity Swap Counterparties” mean PEAK’s counterparties under the Commodity Swaps, which initially shall be [] and [].

(u) “Communications Protocol” means the protocol attached hereto as Exhibit I, under which Gas Purchaser may seek to designate an Upstream Supplier.

(v) “Contract Price” has the meaning specified in Section 4.1.

(w) “Custodial Account” means the Pratt Custodial Account established by the Bond Indenture and held by the Trustee to hold and distribute the Custodial Account Deposits in accordance with Section [] hereof and the terms of the Bond Indenture.

(x) “Custodial Account Deposits” means the “Pratt Custodial Account Deposits” as defined in the Bond Indenture.

(y) “Daily Contract Quantity” or “DCQ” means, with respect to each Gas Day during the Delivery Period and each Delivery Point, the daily quantity of Gas (in MMBtu) shown on Exhibit B for such Delivery Point for the Month in which such Gas Day occurs.

(z) “Delivery Period” means the period beginning [], 2026 and continuing through [], 2056 unless the Contract is terminated early pursuant to the terms hereof.

(aa) “Delivery Points” is defined in Section 3.1.

(bb) “Downstream Customer” is defined in the Recitals.

(cc) “Downstream Customer Payments” is defined in Section [].

(dd) “Downstream Supply Contract” means that certain North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas, dated as of [] 1, 2026 (the “NAESB Contract”), inclusive of the Transaction Confirmation thereto, dated as of [] 1, 2026, between Gas Purchaser and Downstream Customer, as it may be amended from time to time, and shall also include any successor or extended NAESB Contract for the sale of the Gas purchased by Gas Purchaser under this Contract between Gas Purchaser and Downstream Customer.

(ee) “Effective Date” has the meaning stated in the preamble and as set forth in Section 2.1.

(ff) “Event of Insolvency” means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a Government Agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person shall admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

(gg) “Failed Remarketing” means the failure of the remarketing of the Bonds as specified in the Bond Indenture.

(hh) “FERC” means the Federal Energy Regulatory Commission and any successor thereto.

(ii) “FERC Gas Tariff” means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended.

(jj) “Firm” means, with respect to service on any pipeline system or at any storage facility, that the pipeline or storage provider providing such service may interrupt its

performance without liability only to the extent that such performance is prevented for reasons of Force Majeure with respect to such party asserting Force Majeure.

(kk) “Force Majeure” is defined in Section 13.2.

(ll) “Gas” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

(mm) “Gas Day” means a period of twenty-four (24) consecutive hours, beginning and ending at 9:00 a.m. CPT. The date of the Gas Day shall be the date at its beginning.

(nn) “Gas Purchaser” is defined in the preamble.

(oo) “Gas Purchaser’s Transporter” means the Transporter receiving Gas on Gas Purchaser’s behalf at a Delivery Point.

(pp) “Government Agency” means the United States of America, any state or commonwealth thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

(qq) “Imbalance Charges” means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing, scheduling and/or nomination requirements based on such Transporter’s FERC Gas Tariff.

(rr) “Index Premium” means any adjustment to the Index Price (i) set forth in an Upstream Supply Contract that is designated pursuant to the Communications Protocol or (ii) designated by CEM pursuant to the Communications Protocol when an Upstream Supply Contract (as defined in the Communications Protocol) has not been designated. The Index Premium shall be shown in Exhibit C.

(ss) “Index Price” means the price (in \$/MMBtu) published in the first monthly edition of *Inside FERC’s Gas Market Report*, a publication of Platts S&P Global Commodity Insights, a division of S&P Global Inc., for the applicable Month as shown in the chart entitled “Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu)”, under the Column “Index” relating to the Platts location(s) that are specified in Exhibit C (such price, the “Index Price”).

(tt) “Initial Discount Period” means the period from and including the date on which the Delivery Period begins to and including _____.

(uu)

(vv) “Liquid Delivery Point” means any point of delivery mutually agreed between PEAK and CEM in writing.

(ww) “Maturity Date of the Bonds” means the Final Maturity Date of the Bonds, as defined in the Bond Indenture.

(xx) “Mcf” means 1,000 Cf of Gas.

(yy) “Minimum Discount” means 48.6 cents per MMBtu for the Initial Discount Period and thereafter no less than \$0.25/MMBtu. Both amounts are inclusive of any projected Annual Refund.

(zz) “MMBtu” means 1,000,000 Btu, which is equivalent to one dekatherm.

(aaa) “Month” means the period beginning at 9:00 a.m. CPT on the first day of a calendar month and ending at 9:00 a.m. CPT on the first day of the next calendar month. The term “Monthly” shall be construed accordingly.

(bbb) “Monthly Discount” means (i) for the Initial Discount Period, the amount specified in Exhibit C, which Exhibit C shall be provided by PEAK to Gas Purchaser on or prior to the Bond Closing Date, and (ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit C provided by PEAK after such determination.

(ccc) “Municipal Utility” means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it (or cause such Gas to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

(ddd) “Net Remarketing Proceeds” means (i) the actual amounts, if any, received by PEAK from the sale of Gas that PEAK is able to remarket or cause to be remarketed as a result of efforts under Section 6.3 or as a result of Gas Purchaser’s failure to receive Gas pursuant to Section 6.2, less (ii) all directly incurred costs or expenses, including but not limited to remarketing and administrative fees paid to Prepay LLC under the Prepaid Gas Agreement, provided that in no event shall the Net Remarketing Proceeds for any Gas exceed the quantity of such Gas multiplied by the result of (A) the Contract Price for such Gas, minus (B) subject to Section 6.3(b), a PEAK remarketing administrative charge of five cents (\$0.05) per MMBtu.

(eee) “PEAK” is defined in the recitals.

(fff) “Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

(ggg) “Prepaid Gas Agreement” is defined in the recitals.

(hhh) “Prepaid Project” is defined in the recitals.

(iii) “Prepay LLC” is defined in the recitals.

(jjj) “Primary Delivery Point” is defined in Section 3.1.

(kkk) “Prime Rate” means, for any day of determination, the fluctuating rate per annum equal to the “Prime Rate” listed daily in the “Money Rates” section of The Wall Street Journal on such day (or if such day is not a Business Day, the preceding Business Day), or if The Wall Street Journal is not published on a particular Business Day, then, the “prime rate” published in any other national financial journal or newspaper selected by Prepay LLC in its reasonable judgment, and if more than one such rate is listed in the applicable publication, the highest rate shall be used; any change in the Prime Rate shall take effect on the date specified in the announcement of such change.

(lll) “Project Administration Fee” means the monthly fee payable by Gas Purchaser as described in Section 4.3.

(mmm) “Project Agreements” means the agreements entered into by PEAK under the Prepaid Project.

(nnn) “Project Management Committee” is defined in Section 15.2.

(ooo) “Project Participant” has the meaning specified in the Bond Indenture.

(ppp) “Rating Agency” has the meaning specified in the Bond Indenture.

(qqq) “Refunding Bonds” means any Bonds issued by PEAK under and in accordance with the Indenture to refund the [2026 Series A] Bonds or any other Bonds then outstanding under the Bond Indenture.

(rrr) “Remarketing Election” is defined in Section 5.3.

(sss) “Remarketing Election Deadline” means the last date and time by which Gas Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

(ttt) “Remarketing Election Notice” is defined in Section 5.3(b).

(uuu) “Remarketing Event” is defined in Section 5.3(a).

(vvv) “Re-Pricing Agreement” means the Re-Pricing Agreement, dated as of [____], 2026, by and between Prepay LLC and PEAK, as amended or supplemented from time to time in accordance with its terms.

(www) “Re-Pricing Date” has the meaning set forth in the Re-Pricing Agreement.

(xxx) “Reset Period” means each five-year period (or such longer or shorter period as may be agreed to by PEAK and Prepay LLC pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Discount Period or prior Reset Period, as the case may

be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; provided that the final Reset Period shall be the period from the last day of the prior Reset Period to the end of the Delivery Period.

(yyy) “Scheduled Custodial Account Deposit” is defined in Section [____].

(zzz) “Transporter(s)” means all Gas gathering or pipeline companies, or local distribution companies acting in the capacity of a transporter, transporting Gas for PEAK or Gas Purchaser upstream or downstream, respectively, of the Delivery Point.

(aaaa) “Trustee” means Regions Bank, and its successors as Trustee under the Bond Indenture.

(bbbb) “Upstream Supplier” has the meaning specified in Exhibit I.

(cccc) “Upstream Supply Contract” has the meaning specified in Exhibit I.

ARTICLE II **SERVICE OBLIGATIONS**

2.1 Effective Date. This Contract shall become effective upon the Effective Date such that, unless this Contract is terminated early pursuant to Section 2.2, (a) all of PEAK’s and Gas Purchaser’s obligations under this Contract shall be deemed to have been incurred upon the Effective Date, and (b) the delivery of Gas under this Contract shall commence and continue for the Delivery Period (as described in further detail in Section 2.3 below).

2.2 Termination Due To Failure To Issue Bonds or Provide Minimum Discount. Each Party shall have a right to terminate this Contract with the effect that this Contract shall be of no further force or effect and the Parties shall have no rights or obligations hereunder if the Bonds are not issued on or before [____], 2026.

2.3 Gas Supply Service. Subject to Article V, PEAK shall tender for delivery to Gas Purchaser on a Firm basis, and Gas Purchaser shall purchase and receive from PEAK on a Firm basis, the applicable Daily Contract Quantity of Gas set forth for each Month in Exhibit B provided that the Daily Contract Quantity shall be reduced for any Gas Day to the extent that (i) Downstream Customer reduces its obligation to receive Gas on such Gas Day in accordance with Special Condition 1 (Daily Reduction) of the Downstream Supply Contract, and (ii) such reduction is communicated to PEAK in accordance with the Communications Protocol set forth in Exhibit I hereto, in which case the quantity of Gas required to be tendered for delivery to Gas Purchaser and taken by Gas Purchaser shall be correspondingly reduced. The Parties also recognize and agree that the Daily Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, PEAK and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) PEAK will notify Gas Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of

such Reset Period, and (C) the Daily Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

2.4 Pledge of this Contract. Gas Purchaser acknowledges and agrees that PEAK will pledge its right, title, and interest under this Contract and the revenues to be received under this Contract (other than the revenues attributable to the Project Administration Fee described in Section 4.3) to secure PEAK's obligations under the Bond Indenture.

ARTICLE III

RECEIPT AND DELIVERY POINTS

3.1 Delivery Points. All Gas delivered under this Contract shall be delivered and received at the point[s] of delivery specified in Exhibit A (each a "Primary Delivery Point") or to any other point of delivery (each an "Alternate Delivery Point") that has been mutually agreed to in writing by PEAK and Gas Purchaser (each Primary Delivery Point or Alternate Delivery Point, if specified, being a "Delivery Point").

3.2 Transfer of Title. Gas Purchaser shall take title to all Gas delivered to it by PEAK at the applicable Delivery Point and shall own such Gas and shall assume all risk of loss following such transfer at the applicable Delivery Point. For the avoidance of doubt, title shall transfer at the Delivery Point and Gas Purchaser shall have title until further transfer of title to Downstream Customer at the point of sale under the Downstream Supply Contract.

ARTICLE IV

PRICING OF GAS SUPPLY SERVICES

4.1 Charge Per MMBtu Delivered. For each MMBtu of Gas delivered by PEAK to Gas Purchaser at the Delivery Point and taken by Downstream Customer at the Delivery Point, Gas Purchaser shall pay PEAK for such Gas, which shall be the applicable Index Price, less the Monthly Discount plus any Index Premium, as specified on Exhibit C (the "Contract Price"). Gas Purchaser shall not be charged for any Gas that is not tendered for delivery by PEAK. Notwithstanding the foregoing, the Parties recognize and agree that the pricing specified in Section 5.2 shall apply to any Gas deliveries made by PEAK following a Failed Remarketing.

4.2 Substitute Index Price; Corrections to Index Prices.

(a) If the source of any publication used to determine the index price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, the index price shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at the Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 18.11 of the Prepaid Gas Agreement. PEAK shall provide Gas Purchaser the opportunity to provide its recommendations and other input to PEAK for PEAK's use in the process under Section 18.11 of the Prepaid Gas Agreement.

(b) If a value published for any rate or index used or to be used in this Contract is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount

(if any) that is payable as a result of that correction. If, not later than 30 days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Contract, to the other Party that amount, together with interest on that amount at the Default Rate (as defined in the Prepaid Gas Agreement) for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

4.3 Project Administration Fee. PEAK shall bill and Gas Purchaser shall pay each Month, as part of the Monthly invoice described in Article XI, the Project Administration Fee. The Project Administration Fee shall equal the product of (i) the Daily Contract Quantity for the Month of Gas deliveries (in MMBtu), (ii) the number of days in such Month, and (iii) **\$0.03** per MMBtu during the Initial Discount Period. In each Reset Period following the Initial Discount Period, the Project Administration Fee shall equal seven cents (\$0.07) for all Months during the Reset Period where the Available Discount is greater than or equal to 50 cents per MMBtu; six cents (\$0.06) for all Months during the Reset Period where the Available Discount is greater than or equal to 40 cents per MMBtu and less than 50 cents per MMBtu; five cents (\$0.05) for all Months during the Reset Period where the Available Discount is greater than or equal to 30 cents per MMBtu and less than 40 cents per MMBtu; four cents (\$0.04) for all Months during the Reset Period where the Available Discount is greater than or equal to 25 cents per MMBtu and less than 30 cents per MMBtu; and three cents (\$0.03) for all Months during the Reset Period where the Available Discount is less than 25 cents per MMBtu.

4.4 Annual Rebate and Refunds.

(a) Annual Rebate. PEAK shall, beginning with the year ending [____], 20[2_], provide an annual rebate to Gas Purchaser from the amounts remaining on deposit in the Custodial Account at the end of each Year (the “Annual Rebate”). The amount of the Annual Rebate for each such year shall be equal to the (i) the sum of the Custodial Account Deposits made during such Year less (ii) any transfers and payments made by the Trustee from the funds held in the Custodial Account during such Year in accordance with the Bond Indenture. The Parties acknowledge and agree that the Bond Indenture shall control and carry out the administration, application and use of the Downstream Customer Payments and the Custodial Account Deposits for purposes of this Section 4.4, and the Annual Rebate for any Year shall be reduced or eliminated in the event that all Downstream Customer Payments are not timely paid in full during such Year. On the date of this Contract, the Projected Annual Rebate to Gas Purchaser (the “Projected Annual Rebate”) for the Initial Discount Period is [__] cents (\$0.[__]) per MMBtu of the Daily Contract Quantity taken by the Downstream Customer at the Plant. With respect to this Projected Annual Rebate, the Gas Purchaser shall include in its Monthly billing statement under Section **11.1(a)** hereof, the scheduled deposit to the Custodial Account for the Month (the “Scheduled Custodial Account Deposit”), which for the Initial Discount Period shall be calculated as [__] cents (\$0.[__]) per MMBtu of the Daily Contract Quantity taken by the Downstream Customer at the Plant.

(b) Annual Refund. During the term of this Contract, promptly following completion of the annual audit of PEAK’s financial statements at the end of each fiscal year

(currently the twelve-month period ending June 30), PEAK shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Prepaid Project for that fiscal year. For purposes of such annual comparison, PEAK's expenses shall include: (a) its expenses incurred in obtaining Gas supply under the Prepaid Project; (b) its administrative, legal, and accounting expenses directly incurred in connection with or properly allocable to the Prepaid Project, including the administration of this Contract and all other contracts for the sale of Gas obtained under the Prepaid Project; (c) debt service on the Bonds, including payments under any interest rate swap or hedge agreement; (d) any replenishment of draws made upon any working capital fund associated with the Prepaid Project; (e) any deposits required to be made by PEAK into any debt service reserve or other reserve or contingency fund or funds established with respect to the Bonds; (f) any fees or other amounts due to any provider of credit support for the Bonds; (g) payments under any commodity price swap or hedge agreement entered into in connection with the Prepaid Project; and (h) any other similar costs and expenses. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then PEAK shall make refunds to Gas Purchaser and the other Project Participants in the amount available after making allowances for any necessary and appropriate reserves and contingencies (as provided in the foregoing clause (e)), including but not limited to amounts deemed reasonably necessary by the Project Management Committee (and approved by PEAK's Board of Directors) to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds. In conjunction with the annual meeting of the Project Management Committee, PEAK shall provide the Gas Purchaser with a schedule showing the accounting for the Annual Refund. The amount available for refund shall be paid annually to Gas Purchaser and the other Project Participants. As of the Effective Date, the projected Annual Refund for the Initial Discount Period is \$0.0[] per MMBtu.

ARTICLE V

TERM

5.1 Primary Term. This Contract shall be effective as of the Effective Date and shall be implemented to effectuate purchases and sales of Gas under this Contract for deliveries commencing on the first day of the Delivery Period. Unless earlier terminated in accordance with the terms hereof, this Contract thereafter shall remain in full force and effect for a primary term ending on the Maturity Date of the Bonds, subject to all winding up arrangements as described in Section 5.4.

5.2 Early Termination Before End of Primary Term. Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that (i) in the event of the termination of Gas deliveries under the Prepaid Gas Agreement prior to the end of the primary term of this Contract, this Contract shall terminate on the date of the termination of gas deliveries under the Prepaid Gas Agreement; and (ii) PEAK's obligation to deliver Gas under this Contract shall terminate upon the termination of deliveries of Gas to PEAK under the Prepaid Gas Agreement or upon the termination of deliveries of Gas by Gas Purchaser to Downstream Purchaser under the Downstream Supply Contract, as applicable. In addition, Gas Purchaser acknowledges and agrees that this Contract may terminate early as a result of a default by Gas Purchaser under Article XIV. PEAK shall provide notice to Gas Purchaser of any early termination date. The

Parties recognize and agree that, in the event that the Prepaid Gas Agreement terminates because of a Failed Remarketing of the Bonds that occurs in the first Month of a Reset Period, PEAK shall deliver Gas under this Contract for the remainder of such first Month, and, notwithstanding anything in this Contract to the contrary, the Contract Price for all Gas deliveries made by PEAK during such first Month shall be the Index Price plus the applicable Index Premium, if any, identified for deliveries in Exhibit C, with no Monthly Discount, and there shall be no Annual Refunds associated with such deliveries. Under these circumstances, the contract price for Gas sold by Gas Purchaser to Downstream Customer under the Downstream Supply Contract shall also be the Index Price.

5.3 Remarketing Election; Suspension and Resumption of Deliveries.

(a) Remarketing Event. For each Reset Period, at least ten (10) days prior to the applicable Remarketing Election Deadline, PEAK shall provide to Gas Purchaser a written notice setting forth the duration of such Reset Period and the estimated Available Discount for such Reset Period. In the event such estimated Available Discount for a Reset Period is not equal to or greater than the Minimum Discount for that Reset Period (a “Remarketing Event”), such notice shall also state (i) that a Remarketing Event has occurred, (ii) the applicable Remarketing Election Deadline, and (iii) that Gas Purchaser, and each other Project Participant, may (A) continue to purchase and receive its Daily Contract Quantity during such Reset Period at a Contract Price that reflects the Monthly Discount portion of the Available Discount (as finally determined as hereinafter described), plus Annual Refunds, if any, as described in Section 4.4, or (B) elect that such Daily Contract Quantity be remarketed for such Reset Period (a “Remarketing Election”) by providing a Remarketing Election Notice prior to the Remarketing Election Deadline. The Parties acknowledge that the determination of the Available Discount for a Reset Period under the Re-Pricing Agreement will be through an iterative process that may commence with informal, non-binding communications that shall not constitute a written notice as provided for above, when PEAK may provide preliminary non-binding estimates of the Available Discount for a Reset Period.

(b) Remarketing Election. If Gas Purchaser elects to have its Daily Contract Quantity remarketed for such Reset Period following the occurrence of a Remarketing Event, Gas Purchaser must provide written notice of such Remarketing Election to PEAK, Prepay LLC and the Trustee (its “Remarketing Election Notice”) not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice shall be in substantially the form attached hereto as Exhibit G. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Parties’ obligations to deliver and receive Gas shall be suspended for the duration of such Reset Period and the Daily Contract Quantity for such Reset Period shall be zero MMBtu per day.

(c) Extension of Remarketing Election Deadline. If a Remarketing Event has occurred and Gas Purchaser has not made a Remarketing Election, but one or more of the other Project Participants has made a Remarketing Election, the estimated Available Discount may be required to be recalculated pursuant to the Re-Pricing Agreement. In such case PEAK shall provide such new estimated Available Discount to Gas Purchaser promptly in writing, and the Remarketing Election Deadline shall be extended to the third Business Day following the date of such notice.

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Discount Period will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Gas Purchaser and the other Project Participants prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless (A) PEAK has provided notice of such Remarketing Event to Gas Purchaser in accordance with paragraph (a) of this Section 5.3, and (B) Gas Purchaser has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3); and

(ii) if Gas Purchaser has not made a Remarketing Election prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3), Gas Purchaser shall be deemed to have elected to continue to purchase and receive its Daily Contract Quantity at a Contract Price and the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus the right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Contract shall continue in full force and effect for the applicable Reset Period.

(e) Resumption of Deliveries. In the event that Gas deliveries are suspended following a Remarketing Election made by Gas Purchaser in accordance with this Section 5.3, PEAK may elect to terminate this Contract as of the end of the then-current Reset Period. If PEAK does not elect to terminate this Contract in those circumstance, the Parties acknowledge and agree that deliveries shall resume if, in connection with any future Reset Period, (i) the Available Discount calculated for such Reset Period is equal to or exceeds the Minimum Discount applicable to such Reset Period, or (ii) PEAK and Gas Purchaser mutually agree to resume deliveries for such future Reset Period with a discount less than the applicable Minimum Discount. PEAK shall provide notice setting forth the duration of the Reset Period and the estimated Available Discount for such Reset Period no later than at least ten (10) days prior to the applicable Remarketing Election Deadline for such Reset Period. The Parties acknowledge and agree that the final Available Discount will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount with the effect described in subsection (d) above.

5.4 Winding Up Arrangements. The expiration or termination of this Contract shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination, (b) the consequences of any breach or default of any warranty or covenant contained in this Contract, (c) its obligation to effectuate all winding up arrangements or (d) its obligation to take any other actions as may be necessary to effectuate all of the terms of this Contract. For the avoidance of doubt, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries under the provisions of this Contract as a result of any winding up arrangements. All obligations and liabilities described in the

preceding sentence of this Section 5.4, and the applicable provisions of this Contract creating or relating to such obligations and liabilities, shall survive such expiration or termination.

5.5 Cooperation for Issuance of Refunding Bonds. Gas Purchaser agrees to reasonably cooperate with PEAK in connection with the issuance of any Refunding Bonds, including by providing such information as is consistent with information Gas Purchaser provided to PEAK in connection with the initial issuance of the Bonds.

ARTICLE VI **FAILURE TO PERFORM**

6.1 Cost of Replacement Gas. Except in cases of Force Majeure, for each MMBtu that PEAK is obligated to deliver to Gas Purchaser under this Contract but fails to deliver, PEAK shall pay to Gas Purchaser an amount equal to the difference between the price per MMBtu which would have been applicable to the undelivered Gas under Article IV and any higher cost per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price, or to the extent Gas Purchaser paid cover costs to Downstream Customer in respect of such Gas that is replaced by Downstream Customer, such cover costs paid to Downstream Customer.. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided, however, that for purposes of the foregoing the price of any such replacement Gas withdrawn from storage shall be the market price applicable to such Gas at the time of the withdrawal. This Section shall not apply in the instances of Force Majeure and when any Upstream Supply Contract is in effect.

6.2 Obligation to Take the Daily Quantity. If on any Gas Day PEAK tenders the Daily Contract Quantity for delivery to Gas Purchaser and Gas Purchaser fails to take the Daily Contract Quantity due to a failure to take by Downstream Customer, notwithstanding that Downstream Customer has requirements for such quantity of Gas and is therefore obligated to purchase that quantity from Gas Purchaser, Gas Purchaser shall remain obligated to pay PEAK the Contract Price for the Daily Contract Quantity plus the Project Administration Fee. Gas Purchaser's obligation to pay for such Gas shall be limited to amounts paid by Downstream Customer under the Downstream Supply Contract and any amounts on deposit in the Custodial Account. PEAK shall credit to Gas Purchaser's account the net revenues PEAK receives from Prepay LLC under the Prepaid Gas Agreement in connection with the sale of any such Gas by Prepay LLC to other Municipal Utilities or other purchasers, up to the Contract Price, less PEAK's remarketing administrative charge of five cents (\$0.05) per MMBtu. In the event Downstream Customer lacks requirements for the Daily Contract Quantity at the Plant on any Gas Day, Gas Purchaser shall not be charged for any such quantities, and Prepay LLC and PEAK shall remarket such quantities under the procedures set forth in the Prepaid Gas Agreement. In the event of permanent loss of requirements by Gas Purchaser due to the permanent cessation of all or part of Downstream Customer's operations at the Plant, Gas Purchaser may provide notice of such cessation and PEAK shall authorize and implement the permanent reduction of Gas

Purchaser's Daily Contract Quantity for the remaining term of this Contract. If such loss of demand is permanent, this Contract shall terminate effective upon the termination of deliveries by Gas Purchaser to Downstream Customer under the Downstream Supply Agreement.

6.3 Reserved.

6.4 No Consequential or Special Damages. Neither Party shall be liable for consequential, incidental, special, or punitive damages or losses that may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Contract.

6.5 Imbalances. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If PEAK or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Contract, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then Gas Purchaser shall pay for such Imbalance Charges or reimburse PEAK for such Imbalance Charges paid by PEAK. If the Imbalance Charges were incurred as a result of PEAK's deliveries of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then PEAK shall pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser. Notwithstanding the provisions of Sections 6.1 and 6.2, the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind. Notwithstanding the foregoing, this Section 6.5 shall not apply when an Upstream Supply Contract is in effect, pursuant to the Communications Protocol.

6.6 Delivery Issues Under Upstream Supply Contract. Notwithstanding any provision in this Contract to the contrary, the Parties shall not have any obligations under this Contract with respect to a failure to take or deliver the Daily Contract Quantity while an Upstream Supply Contract (as defined in the Communications Protocol) has been designated and is in effect.

ARTICLE VII

RESPONSIBILITY FOR TRANSPORTATION

PEAK shall make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Point. Gas Purchaser shall take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity to Downstream Customer at the Delivery Point, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. PEAK shall bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery Points, except as provided in this Contract. As between the Parties, Gas Purchaser shall bear all costs of transportation at and after the delivery of Gas to the Delivery Points.

ARTICLE VIII
DELIVERY REQUIREMENTS

8.1 Specifications. All Gas delivered under this Contract shall be merchantable and shall, upon delivery, conform to the quality specifications and heating value specified in Gas Purchaser's Transporter's FERC Gas Tariff.

8.2 Pressure. All Gas sold by PEAK to Gas Purchaser under this Contract shall be delivered to Gas Purchaser at the pressure maintained from time to time in Gas Purchaser's Transporter's facilities at the Delivery Points.

8.3 Measurement. Gas sold under this Contract shall be measured through Gas Purchaser's Transporter's existing measurement facilities at the Delivery Points in accordance with the provisions of such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Contract shall be one Mcf or otherwise as consistent with Transporter's measurement at the Delivery Points. The sales unit of the Gas shall be one MMBtu, established by converting Mcfs measured at the Delivery Points to MMBtus according to the Btu content determined by Transporter on a dry basis at the Delivery Points under Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Contract at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be conclusive.

ARTICLE IX
TITLE AND RISK OF LOSS

PEAK warrants the title to all Gas sold to Gas Purchaser under this Contract. Transfer of custody and title to Gas sold under this Contract shall pass to and vest in Gas Purchaser at the Delivery Point prior to its redelivery to Downstream Customer. As between the Parties, PEAK shall be deemed to be in exclusive control and possession of Gas delivered under this Contract prior to the time of delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser shall be deemed to be in exclusive control and possession of Gas delivered under this Contract at and after delivery at the Delivery Point.

ARTICLE X
ROYALTIES AND TAXES

10.1 Royalties and Other Charges. PEAK shall pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Contract prior to its delivery to Gas Purchaser at the Delivery Point.

10.2 Taxes. The price for Gas sold to Gas Purchaser under this Contract is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the Delivery Point, and all such taxes shall be borne and paid exclusively by PEAK; provided, however, that if Gas Purchaser is required to remit such taxes to the collecting authority, Gas Purchaser shall do so and PEAK shall credit an amount equal to the taxes so paid against payments otherwise due to PEAK under this Contract. The price for Gas sold to Gas Purchaser under this Contract does not include any federal, tribal,

state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Contract, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser shall be responsible for the payment of any such taxes and for completing and filing all required forms.

ARTICLE XI

BILLING AND PAYMENT

11.1 Timing.

(a) Not later than seven days following the end of the Month of delivery, the Gas Purchaser shall provide to PEAK a Monthly billing statement of the amount due from Downstream Customer for Gas delivered under the Downstream Supply Contract and the amount of the Scheduled Custodial Account Deposit provided for under Section 4.4 hereof, together with a copy of the Gas Purchaser's invoice to Downstream Customer. Such billing statement and invoice shall be provided to PEAK, with a copy to the Trustee, by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the mailing address, or e-mail address set forth for PEAK and the Trustee, respectively, in Article XVII.

(b) Not later than ten days following the end of the Month of delivery, PEAK or its designee shall provide a Monthly billing statement to Gas Purchaser of the amount due for Gas tendered for delivery under this Contract. Such billing statement shall be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the address or facsimile number set forth for Gas Purchaser in Article XVII. Gas Purchaser shall remit such amounts due to PEAK by wire transfer in immediately available funds on or before the 20th day of the Month following the Month of delivery, or if such day is not a Business Day, the immediately preceding Business Day. Gas Purchaser will cause all payments due from Downstream Customer under the Downstream Supply Contract (including all late fees, interest and other costs and amounts payable by the Downstream Customer under the Downstream Supply Contract, the "Downstream Customer Payments") to be paid to the Trustee for application in accordance with the Bond Indenture. Such Downstream Customer Payments will be credited against amounts due from Gas Purchaser under this Contract, which amounts shall consist of the amounts owed for Gas delivered to and taken by Downstream Customer under the Downstream Supply Contract. In any and all instances, if payment is not made by Downstream Customer in full, Gas Purchaser is responsible to pay PEAK only to the extent of the Downstream Customer Payments paid by the Downstream Customer and, in the absence of such payment in full, only if and to the extent there are amounts on deposit in the Custodial Account held by the Trustee under the Bond Indenture. Any amount remaining in the Custodial Account at the end of each Year following all required payments and transfers from the Custodial Account for such Year will be paid to Gas Purchaser as an Annual Rebate for such Year as described in Section 4.4.

11.2 Late Payment. In the event Gas Purchaser fails to pay an amount when due hereunder as a result of a failure to pay by the Downstream Customer under the Downstream Supply Contract, interest thereon shall accrue at a rate of interest per annum equal to the lesser of (i) the Prime Rate plus three percent or (ii) the maximum rate permitted by law, in either case

from the due date until paid by Downstream Customer under the Downstream Contract and when and if paid shall be deposited with the Trustee to be applied in accordance with the Bond Indenture and credited against the amounts owed by Gas Purchaser hereunder. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within the time provided for payment, shall notify PEAK of the existence of and basis for such dispute and shall pay all amounts billed by PEAK, including any amounts in dispute. If it is ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, PEAK shall pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2. The payments under this Section 11.2 are late payment charges which result from failure of Downstream Customer to timely pay the Downstream Customer Payments due under the Downstream Supply Agreement. Such late payment fees shall only apply to past due amounts described under this Section 11.2 and shall be payable by Gas Purchaser solely from amounts provided by Downstream Customer.

11.3 Audit Rights. Each Party shall have the right, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or pursuant to this Contract. Any inaccuracy shall be corrected promptly when discovered; provided, however, that neither Party shall be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party shall have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 Months of the date of the charge or credit in question.

11.4 Special Obligations and Covenants of Gas Purchaser. Gas Purchaser's obligation to make the payments it is required to make under this Contract is a several obligation and not a joint obligation with the obligations of any other Project Participant under its contract with PEAK for the purchase of Gas under the Prepaid Project. Gas Purchaser further covenants and agrees:

(a) Gas Purchaser agrees to make all payments it is required to make under this Contract solely from the Downstream Customer Payments payable under the Downstream Supply Contract and the amounts, if any, on deposit in the Custodial Account. Gas Purchaser shall have no obligation to make the payments required hereunder from any other source, including other revenues of its municipal Gas system.;

(b) Gas Purchaser hereby covenants and agrees that it will not agree to any change in the contract price payable by the Downstream Customer under the Downstream Supply Contract that would cause the Downstream Customer Payments to be less than the amount necessary to enable Gas Purchaser to pay to PEAK all amounts payable under this Contract.

(c) Gas Purchaser hereby covenants and agrees that it will not amend, supplement or otherwise modify the Downstream Supply Contract or consent to any assignment

of the Downstream Supply Contract by Downstream Customer without the prior written consent of PEAK.

(d) Gas Purchaser covenants and agrees that it will enforce the provisions of the Downstream Supply Contract including Gas Purchaser's rights to payment thereunder.

(e) Gas Purchaser further covenants and agrees that in any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser shall not pledge or encumber the Downstream Supply Contract or the Downstream Customer Payments and shall not agree to or create a prior or superior obligation to its obligation to make payments under this Contract. to the extent permitted by law, that it shall not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

(f) Gas Purchaser further covenants that in the event the Downstream Supply Contract is (i) terminated for any reason during the term of this Contract or (ii) otherwise is not extended or replaced at the start of a new Reset Period during the term of this Contract, Gas Purchaser will not purchase prepaid gas for sale to Downstream Customer under any gas prepayment transaction other than the Prepaid Project.

11.5 Financial Responsibility. When reasonable grounds for insecurity of payments due under this Contract arise, PEAK may demand, and Gas Purchaser shall provide adequate assurance of performance within 48 hours but at least one Business Day after Gas Purchaser receives a demand in writing. Reasonable grounds include but are not limited to the occurrence of an Event of Insolvency with respect to Gas Purchaser or Downstream Customer or the downgrading of Gas Purchaser's or Downstream Customer's credit rating, if any, by a Rating Agency to a level below investment grade, and/or such facts and circumstances which would constitute reasonable grounds for insecurity under the Uniform Commercial Code in effect in the State of New York. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by PEAK, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity; provided, however, that the total amount of adequate assurance shall not exceed an amount equal to the sum of the Monthly billing statements for the two (2) prior billing Months. The Parties agree that in the event Gas Purchaser fails to provide such adequate assurance as demanded, PEAK shall have the right to immediately suspend further deliveries of Gas to Gas Purchaser under this Contract and shall not be obligated to restore such deliveries until the first day of the Month after such demand has been satisfied; provided, however, that PEAK shall not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the completion of the term of deliveries to any replacement sales customer to which Prepay LLC has remarketed the Gas on behalf of PEAK. The Parties acknowledge and agree that any demand for adequate assurance under this Contract may be satisfied by Gas Purchaser having the Downstream Customer post the required collateral amount under the terms of the Downstream Supply Contract and in favor of PEAK.

11.6 No Set-Off Payment for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 shall be made without set-off or counterclaim of any kind.

11.7 Pledge of Downstream Supply Contract and Downstream Customer Payments. In order to secure the full and prompt payment and performance of its obligations to PEAK under

this Contract, Gas Purchaser hereby pledges, assigns and grants a security interest to PEAK in all of the rights, title and interest of Gas Purchaser under, and all claims of Gas Purchaser arising against the Downstream Customer under or with respect to, the Downstream Supply Contract including, the Downstream Customer Payments and any late fees, interest and costs payable by the Downstream Customer (collectively, the “Gas Purchaser Collateral”). Gas Purchaser acknowledges and agrees that PEAK has pledged and assigned all of its right, title and interest in the Gas Purchaser Collateral to the Trustee pursuant to the Receivables Purchase Provisions (as defined in the Bond Indenture). Each such pledge and assignment includes all rights of enforcement of the security interest granted in the Gas Purchaser Collateral as are available under the Uniform Commercial Code as in effect from time to time in the State of Kentucky (the “UCC”) and other applicable law for purposes of this Section 11.7, this Contract is intended to constitute a “security agreement” with respect to the Gas Purchaser Collateral within the meaning of the UCC. Gas Purchaser agrees to take such actions on its part as may be requested by PEAK to evidence, preserve, protect, and perfect security interest in the Gas Purchaser Collateral granted hereunder, agrees that it will not sell, assign or otherwise dispose of, or grant any option with respect to, any of the Gas Purchaser Collateral, or create or suffer to exist any security interest upon or with respect to any of the Gas Purchaser Collateral except for the pledges, assignments and security interests created under this Contract and the Bond Indenture.

11.8 Downstream Customer. Notwithstanding anything in this Contract to the contrary, Gas Purchaser acknowledges and agrees that in the event of a termination or expiration of the Downstream Contract, PEAK shall suspend deliveries hereunder and arrange for the remarketing of such Gas by Prepay LLC under the terms of the Prepaid Gas Agreement unless and until either (a) a replacement Downstream Customer has entered into a Downstream Contract with Gas Purchaser and the Receivables Purchase Provisions (as defined in the Bond Indenture) have been amended to provide that such Downstream Customer is a Specified Project Participant (as defined in the Receivables Purchase Provisions) or (b) PEAK has otherwise obtained a Rating Confirmation with respect to the resumption of deliveries hereunder.

ARTICLE XII

LAWS AND REGULATIONS

This Contract is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser’s or PEAK’s governing body may affect that Party’s obligations and rights under this Contract.

ARTICLE XIII

FORCE MAJEURE

13.1 Suspension of Obligations. Except with regard to a Party’s obligation to make payments under this Contract, neither Party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure. The term “Force Majeure” as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in Section 13.2.

13.2 Force Majeure Defined. The term “Force Majeure” shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency having jurisdiction; and (vi) any invocation of Force Majeure by Prepay LLC under the Prepaid Gas Agreement or by an Upstream Supplier under an Upstream Supply Contract shall be a Force Majeure event under this Contract.

13.3 Force Majeure Exclusions. Neither Party shall be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the Party claiming excuse failed to remedy the condition and to resume the performance of its obligations with reasonable dispatch; (iii) economic hardship, to include, without limitation, PEAK’s ability to sell Gas at a higher or more advantageous price, Gas Purchaser’s ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Contract; or (iv) the loss of Gas Purchaser’s markets or Gas Purchaser’s inability to resell Gas purchased under this Contract, except, in either case, as provided in Section 13.2. Gas Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

13.4 Settlement of Labor Disputes. Notwithstanding anything to the contrary in this Contract, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

13.5 Force Majeure Procedure. The Party whose performance is prevented by Force Majeure must provide notice to the other Party. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event. PEAK and Gas Purchaser shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance, including by mutually agreeing to Alternate Delivery Points as provided in Section 3.1.

ARTICLE XIV

DEFAULT

14.1 Failure by Gas Purchaser to Make Payments Due. Failure by Gas Purchaser to make to PEAK when due any of the payments for which provision is made in this Contract shall constitute a default on the part of Gas Purchaser provided that, to the extent Downstream Customer fails to make a payment for all or any portion of the Gas delivered under the Downstream Contract, Gas Purchaser shall be entitled to transfer the receivables relating to such Downstream Customer non-payment to PEAK in lieu of payment; provided that PEAK shall be entitled to exercise its right to suspend deliveries hereunder following any such non-payment by the Downstream Customer.

14.2 Enforcement and Right to Discontinue Service. In the event of any default under Section 14.1, PEAK shall have the right to enforce all remedies available against Downstream Customer under the Downstream Supply Contract and PEAK in its sole discretion may, upon three days written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Point under this Contract. In the event PEAK takes all or any of the actions authorized by this Section 14.2, Gas Purchaser shall no longer be responsible for making any payments for Gas not delivered or for paying the Project Administration Fee.

14.3 Reinstatement of Service. If PEAK exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by PEAK, upon (i) payment in full by Downstream Customer of all amounts then due and payable under the Downstream Supply Contract and (ii) payment in advance by Downstream Customer at the beginning of each Month of amounts estimated by PEAK to be due to PEAK for the future delivery of Gas under Downstream Supply Contract for such Month. PEAK may continue to require payment in advance after the reinstatement of service under this Contract for such period of time as PEAK in its sole discretion may determine is appropriate.

14.4 Assignment of Receivables. In the event of a default in payments by Gas Purchaser under this Contract, (a) Prepay LLC may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from PEAK of receivables owed by Gas Purchaser to PEAK under this Contract, and Prepay LLC or any third-party transferee who purchases and takes assignment of such receivables shall thereafter have all rights of collection with respect to such receivables and interest accrued thereon, and (b) if such receivables are not so assigned, the Commodity Swap Counterparty shall have the right to pursue collection of such receivables to the extent of any non-payment by PEAK under the Commodity Swap that was caused by Gas Purchaser's payment default.

14.5 Other Default by Gas Purchaser.

(a) In the event of a failure by Gas Purchaser to take from PEAK its Gas supplies in accordance with the provisions of this Contract for sale to the Downstream Customer under the Downstream Supply Contract, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Contract, PEAK (without limiting the

provisions of Section 14.7) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to PEAK to enforce any covenant, agreement, or obligation of Gas Purchaser in this Contract. In addition to the foregoing remedies (and without limiting any other provisions of this Contract), if Gas Purchaser fails to accept from PEAK any of the Daily Contract Quantity tendered for delivery under this Contract, PEAK shall have the right to sell such Gas to third parties.

(b) If an Event of Insolvency occurs with respect to Gas Purchaser or Downstream Customer, PEAK shall have the right in its sole discretion to terminate this Contract by the delivery of written notice to Gas Purchaser

14.6 Default by PEAK. In the event of a default by PEAK under any covenant, agreement, or obligation in this Contract, Gas Purchaser (without limiting the provisions of Section 14.7) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to Gas Purchaser to enforce any covenant, agreement, or obligation in this Contract against PEAK.

14.7 Arbitration and Mediation. Notwithstanding any other provision of this Contract to the contrary, the Parties by mutual agreement may mediate or arbitrate any dispute that arises under this Contract.

14.8 Third-Party Beneficiaries. Except as provided in this Section 14.8, it is specifically agreed that there are no third-party beneficiaries of this Contract and that this Contract shall not impart any rights enforceable by any Person not a party to this Contract. Gas Purchaser acknowledges and agrees that (i) PEAK will pledge and assign its rights, title and interest in this Contract and the amounts payable by Gas Purchaser under this Contract (other than amounts payable in respect of the Project Administration Fee under Section 4.3) to secure PEAK's obligations under the Bond Indenture; (ii) the Trustee shall be a third-party beneficiary of this Contract with the right to enforce Gas Purchaser's obligations under this Contract; (iii) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of PEAK under this Contract; (iv) CEM shall be a third-party beneficiary of this Contract with the right to enforce the terms hereof set forth in Exhibit A and the Communications Protocol and relating to the Index Premium; (v) Prepay LLC shall be a third-party beneficiary of this Contract with the right to enforce the terms hereof set forth in Section 14.4 and Exhibit A; and (vi) Commodity Swap Counterparty shall be a third-party beneficiary of this Contract with the right to enforce the terms hereof set forth in Section 14.4.

14.9 Downstream Supply Contract. Gas Purchaser agrees that it will not exercise any right to terminate or suspend deliveries under the Downstream Supply Contract without the written consent of PEAK, and Gas Purchaser further agrees that it will exercise such rights if directed in writing to do so by PEAK. Gas Purchaser agrees that it will promptly notify PEAK of any circumstance that gives rise to either Gas Purchaser's or Downstream Customer's right to terminate or suspend performance under the Downstream Supply Contract. If and to the extent that the Downstream Supply Contract is terminated or performance under it is suspended by either party thereto, PEAK shall have the right terminate this Contract or suspend performance hereunder, as applicable, upon notice to Gas Purchaser. Gas Purchaser hereby agrees that PEAK may issue notices and take other actions that Gas Purchaser is required or permitted to take under

the Downstream Supply Contract in order to fully effectuate the fact that all of the Gas sold by PEAK to Gas Purchaser under this Contract will be sold by Gas Purchaser under the Downstream Supply Contract. Pursuant to the provisions of the Bond Indenture, PEAK may appoint the Trustee as its agent in respect of any of the rights set forth in this Section 14.9 such that the Trustee may exercise its rights and fulfill its responsibilities under the Bond Indenture

ARTICLE XV

PROJECT MANAGEMENT AND ADMINISTRATION

15.1 Administration of the Prepaid Project. PEAK covenants and agrees that it will use its best efforts to acquire, manage and administer the Prepaid Project for the benefit of all of the Project Participants. Gas Purchaser acknowledges and agrees that PEAK may from time to time enter into amendments of and supplements to the Bond Indenture and any or all of the other Project Agreements (in accordance with their respective terms) and that PEAK will not be required to obtain the consent or approval of Gas Purchaser in connection with any such supplement or amendment.

15.2 Project Management Committee. Pursuant to PEAK's bylaws, Gas Purchaser and the other Project Participants shall comprise the "Project Management Committee". The Project Management Committee will meet at least annually.

ARTICLE XVI

WAIVERS

No waiver by either PEAK or Gas Purchaser of any default of the other under this Contract shall operate as a waiver of any future default, whether of like or different character or nature.

ARTICLE XVII

SUCCESSION AND ASSIGNMENT

The terms and provisions of this Contract shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that neither Party may assign this Contract or its rights and interests, in whole or in part, under this Contract as set forth in this Article XVII without the prior written consent of the other Party, except that PEAK may assign its interests under this Contract as described in Section 14.8. Prior to assigning this Contract, Gas Purchaser shall deliver to PEAK (i) written confirmation from each of the Applicable Rating Agencies, provided that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Contract is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Contract of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring

Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XVIII **NOTICES**

Except as is otherwise specifically provided in this Contract, any notice, request, demand, or statement provided for in this Contract must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Contract shall be made by wire transfer to the account for payments set forth below:

PEAK:

Public Energy Authority of Kentucky
P.O. Box 299
Carrollton, KY 41008
Attention: President and General Manager
Telephone: (502) 732-0991
Fax: (502) 732-8777
Email: gballinger@peakgas.net

Payments:

Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104
ABA #: 121000248
DDA #: 2020050839788
Acct Name: SEI Private Tr Co ACF Regions
FFC: CID _____ PEAK 2026 __ Revenue Fund

Gas Purchaser:

City of Henderson, Kentucky
222 First Street
Henderson, Kentucky 34220
Attn: Tim Clayton, Gas Systems Director
E-mail: trclayton@cityofhendersonky.org

Payments:

By Wire Transfer:

Any notice initially delivered orally as may be permitted under this Contract shall be confirmed in writing. Any notice initially delivered by facsimile transmission, email or other electronic means shall be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means; provided, however, that notice shall not be deemed ineffective if actually received by the Party to whom it was sent.

ARTICLE XIX **CHOICE OF LAW**

This Contract is entered into by PEAK pursuant to the authority contained in the Kentucky Natural Gas Acquisition Act. This Contract shall be interpreted and construed in accordance with the applicable laws of the State of New York, excluding conflicts of law principles which would refer to the laws of another jurisdiction; provided, however, that the authority of Gas Purchaser to enter into this Contract shall be governed by and interpreted in accordance with the laws of the state or commonwealth, as applicable, of its formation.

ARTICLE XX **MODIFICATIONS**

No modifications of the terms and provisions of this Contract shall be or become effective except pursuant to and upon the due and mutual execution of a supplemental written amendment by the Parties.

ARTICLE XXI **COMPUTATIONS**

Except as otherwise provided herein, all computations related to prices and indices performed under this Contract shall be rounded to four decimal places (\$0.0000).

ARTICLE XXII **REPRESENTATIONS AND WARRANTIES**

22.1 Representations and Warranties of PEAK. PEAK hereby makes the following representations and warranties to Gas Purchaser:

(a) PEAK is Natural Gas Acquisition Authority of the Commonwealth of Kentucky, duly organized and validly existing under the laws of the Commonwealth of Kentucky, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Contract.

(b) The execution, delivery, and performance by PEAK of this Contract have been duly authorized by all necessary corporate action of PEAK and do not and will not require, subsequent to the execution of this Contract by PEAK, any consent or approval of the Board of Directors or any officers of PEAK.

(c) This Contract is the legal, valid, and binding obligation of PEAK, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the

exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Contract, there is no pending or, to PEAK's knowledge, threatened action or proceeding affecting PEAK which purports to affect the legality, validity, or enforceability of this Contract.

22.2 Representations and Warranties of Gas Purchaser. Gas Purchaser hereby makes the following representations and warranties to PEAK:

(a) Gas Purchaser is a body politic and corporate, municipal corporation and unit of local government of the Commonwealth of Kentucky, an agency and instrumentality for accomplishing essential government functions of the municipal utilities creating and establishing it, a political subdivision and a public body corporate of the Commonwealth, and a "public agency" within the meaning of Kentucky Revised Statutes § 65.230, duly organized and validly existing under the laws of the Commonwealth of Kentucky, and has the power and authority to own its properties, to carry on its business as now being conducted, and to execute, deliver, and perform this Contract and the Downstream Supply Contract.

(b) The execution, delivery, and performance by Gas Purchaser of this Contract and the Downstream Supply Contract have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of this Contract by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

(c) Each of this Contract and the Downstream Supply Contract is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Contract, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Contract or the Downstream Supply Contract.

(e) Gas Purchaser shall deliver to PEAK a Federal Tax Certificate in substantially the form set forth in Exhibit E on the Effective Date; provided that, if the Bond Closing Date occurs after December 31, 2026, Gas Purchaser shall deliver an updated Federal Tax Certificate in substantially the form set forth in Exhibit E on the Bond Closing Date.

(f) Gas Purchaser shall deliver to PEAK an opinion letter of counsel to Gas Purchaser in substantially the form set forth in Exhibit F on the Bond Closing Date.

(g) Gas Purchaser shall deliver to PEAK a Closing Certificate in substantially the form set forth in Exhibit H on the Bond Closing Date.

ARTICLE XXIII
SPECIAL OBLIGATIONS OF THE GAS PURCHASER

23.1 Tax-Exempt Status of Bonds. The Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Gas Purchaser agrees that it will (a) provide such information with respect to its gas supply program as may be requested by PEAK in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as PEAK may provide from time to time in order to maintain the tax-exempt status of the Bonds. Gas Purchaser further agrees that it will not at any time take any action, or fail to take any action, which would adversely affect the tax-exempt status of the Bonds. Without limiting the foregoing, Gas Purchaser further agrees that it will use all of the Gas purchased under this Contract (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) consistent with the Federal Tax Certificate attached as Exhibit E. Gas Purchaser agrees that it will provide such additional information, records and certificates as PEAK may reasonably request to confirm Gas Purchaser’s compliance with this Section 23.1. Gas Purchaser agrees that it will only sell the Gas purchased under this Contract to Downstream Customer for consumption in Downstream Customer’s operations at the Plant. Gas Purchaser agrees that its sales to Downstream Customer shall only be made pursuant to a rate schedule and under a requirements contract approved by PEAK and Bond Counsel.

23.2 Continuing Disclosure. Gas Purchaser agrees to provide to PEAK: (a) such financial and operating information as may be requested by PEAK including its most recent audited financial statements for use in PEAK’s offering documents for the Bonds; and (b) annual updates to such information and statements to enable PEAK to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Gas Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Contract, but any such failure shall entitle PEAK or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

23.3 Special Tax Covenant. Buyer acknowledges that the Gas delivered under this Contract is Gas acquired by PEAK as part of a Gas prepayment transaction involving the issuance of tax-exempt bonds by PEAK under Section 148(b)(4) of the Internal Revenue Code and U.S. Treasury Regulations (“Prepaid Gas”). Buyer agrees that, in the event that the Downstream Supply Contract is terminated, Seller will not sell other Prepaid Gas to the Downstream Customer during the Delivery Period specified in this Contract and that this restriction shall survive the termination of this Contract.

ARTICLE XXIV
EXCHANGES

24.1 General Rule. Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Contract on a daily or Monthly basis under Section 24.2 or Section

24.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement shall not relieve Gas Purchaser of its obligations under this Contract.

24.2 Description of Exchange Agreement. Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements redelivery of the Gas delivered at a Delivery Point (“Point A”) to a delivery point on another pipeline connected with Gas Purchaser’s system (“Point B”). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the next succeeding Month. The transaction described in this Section 24.2 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Contract.

24.3 Exchange Transactions Through a Third Party. In addition to an exchange agreement under Section 24.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 24.2) for deliveries at Point B (as described in Section 24.2 by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party (“Party 1”) at Point A, and the receipt of Gas from another party (“Party 2”) at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange, and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 24.2 above. The transaction described in this Section 24.3 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Contract.

ARTICLE XXV **INTERPRETATION**

25.1 Entirety of Contract. This Contract constitutes the entire agreement between PEAK and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under the Prepaid Project, and supersedes any and all prior negotiations, understandings, or agreements, whether oral or in writing.

25.2 Headings. The headings used throughout this Contract are inserted for reference purposes only and shall not be construed or considered in interpreting the terms and provisions of any Section or Article or this Contract as a whole.

25.3 Severability. If any Article, Section, term, or provision of this Contract becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Contract shall continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Contract to either Party, the Parties agree to negotiate promptly an equitable adjustment to the provisions of this Contract in good faith so as to place the Parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

25.4 Limited Liability. PEAK and Gas Purchaser acknowledge and agree that Gas Purchaser's obligations under this Contract are limited as expressly described in this Contract and that PEAK has no recourse to any other source of payment from Gas Purchaser except as set forth in Section 11.4 of this Contract. PEAK and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from PEAK under this Contract except the Trust Estate as defined in the Bond Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Bond Indenture.

ARTICLE XXVI
COUNTERPARTS

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of which shall be deemed to be an original instrument as against a Party that has signed it.

(Signatures appear on next page.)

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the date hereinabove first written.

CITY OF HENDERSON, KENTUCKY

By: _____

Printed Name: Bradley S. Staton

Title: Mayor

Attested By: _____

Printed Name: _____

Title: _____

PUBLIC ENERGY AUTHORITY OF KENTUCKY

By: _____

Printed Name: Gerald L. Ballinger

Title: President and General Manager

Attested By: _____

Printed Name: _____

Title: _____

EXHIBIT A
PRIMARY DELIVERY POINTS

DRAFT

EXHIBIT B

DAILY CONTRACT QUANTITY; INDEX PRICE; DELIVERY POINT PREMIUM

DRAFT

EXHIBIT C

AVAILABLE DISCOUNT

For the Initial Discount Period

Monthly Discount:	\$0.__ per MMBtu
Projected Annual Rebate:	\$0.__ per MMBtu
Projected Annual Refund:	<u>\$0.__ per MMBtu</u>
Available Discount:	\$0.__ per MMBtu

EXHIBIT D

[reserved]

DRAFT

EXHIBIT E

FORM OF FEDERAL TAX CERTIFICATE

[Date of Closing], 2026

This Federal Tax Certificate is executed in connection with the Gas Supply Contract dated as of _____, 2026 (the "Supply Contract"), by and between Public Energy Authority of Kentucky ("PEAK") and the City of Henderson, Kentucky ("Gas Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Contract, in the Tax Certificate and Agreement entered into by PEAK, or in the Bond Indenture.

WHEREAS Gas Purchaser acknowledges that PEAK is issuing the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Gas Purchaser's use of Gas acquired pursuant to the Supply Contract and certain funds and accounts of Gas Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, GAS PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Gas Purchaser is a [public corporation/municipal corporation, etc.] created and existing pursuant to the provisions of _____ law, organized under the laws of the Commonwealth of Kentucky.
2. Gas Purchaser will resell all of the Gas acquired from PEAK under the Supply Contract to the Downstream Supply Contract for consumption by Downstream Customer at the Plant, which is located in Gas Purchaser's service area under Section 148(b)(4) of the Code, with such retail sales being made pursuant to a regularly established and generally applicable tariff and under an authorized requirements contract. The Downstream Customer was not a customer of Gas Purchaser during the testing period (as defined in paragraph 3) and became a retail customer of Gas Purchaser pursuant to a contract entered into after the close of the testing period and immediately before the issuance of the Bonds.
3. The term "testing period" means the 5 calendar years ending December 31, 2025, and the term "service area" means (x) the area throughout which Gas Purchaser provided Gas transmission or distribution service at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Gas Purchaser are located if such area is not also served by another utility providing Gas

services, and (z) any area recognized as the service area of Gas Purchaser under state or federal law.

4. Gas Purchaser expects to pay for Gas acquired pursuant to the Supply Contract solely from funds derived from its sale of Gas to the Downstream Customer to meet its requirements at the Plant. Gas Purchaser expects to use current net revenues of its system to pay for current Gas acquisitions. There are no funds or accounts of Gas Purchaser or any person who is a Related Person¹ to Gas Purchaser in which monies are invested and which are reasonably expected to be used to pay for Gas acquired more than one year after it is acquired. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Gas Purchaser or any persons who are Related Persons to Gas Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

¹ NTD: Add definitional citation.

IN WITNESS WHEREOF the undersigned has executed this Federal Tax Certificate on
and as of the date first written above.

City of Henderson, Kentucky

By: _____

Name:

Title:

DRAFT

EXHIBIT F

FORM OF OPINION OF COUNSEL TO GAS PURCHASER

[Date of Closing], 2026

Public Energy Authority of Kentucky
Carrollton, KY

Citadel Energy Marketing
New York, NY

Regions Bank
Birmingham, AL

[Commodity Swap Counterparty]

Re: Gas Supply Contract Between _____ and
Public Energy Authority of Kentucky dated _____ 1,
2026

Ladies and Gentlemen:

We are Counsel to _____ (“Gas Purchaser”). Gas Purchaser is a Project Participant in the Project undertaken by Public Energy Authority of Kentucky (“PEAK”). We are furnishing this opinion to you in connection with the Gas Supply Contract between PEAK and Gas Purchaser dated as of [____], 2026 (the “Supply Contract”).

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of _____ (the “State”) including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Gas Purchaser was created and by which it is governed;

(b) Resolution No. [____], duly adopted by Gas Purchaser on [_____] (the “Resolution”) and certified as true and correct by certificate and seal, authorizing Gas Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Gas Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Gas Purchaser and Gas Purchaser’s municipal utility system.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Gas Purchaser is a [public corporation/municipal corporation/etc.] of the State, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Supply Contract.

2. The execution, delivery, and performance by Gas Purchaser of the Supply Contract have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Gas Purchaser, is required with respect to the execution, delivery and performance by Gas Purchaser of the Supply Contract or Gas Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

6. Gas Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Gas Purchaser is a party or to which Gas Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Gas Purchaser under the Supply Contract shall constitute operating expenses of Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Gas Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT G

FORM OF REMARKETING ELECTION NOTICE

[PEAK]
[Address]

[CEM]
[Address]

[Trustee]
[Address]

To the Addressees:

The undersigned, duly authorized representative of _____ (the “Gas Purchaser”), is providing this Gas Remarketing Election Notice pursuant to the Gas Supply Contract, dated as of _____ 1, 2026 (the “Supply Contract”), between Public Energy Authority of Kentucky and the Gas Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 5.3(b) of the Supply Contract, the Gas Purchaser has elected to have its DCQ for each Gas Day of each Month of the applicable Reset Period remarketed beginning with the month of [_____] 20[____], and that the resumption of deliveries in any future Reset Period shall be in accordance with Section 5.3(e) thereof.

Given this [____] day of [____], 20[____].

[Name]

By: _____

Name:

Title:

EXHIBIT H
FORM OF CLOSING CERTIFICATE
CLOSING CERTIFICATE OF GAS PURCHASER

[Date of Closing], 2026

Re: Public Energy Authority of Kentucky
 Gas Supply Revenue Bonds,
 2026 Series _

The undersigned [President/Chairman/Chief Executive Officer] of _____ (the "Gas Purchaser"), hereby certifies as follows in connection with the Gas Supply Contract dated as of _____ 1, 2026 (the "Contract") between the Gas Purchaser and Public Energy Authority of Kentucky ("PEAK") and the issuance and sale by PEAK of the above-referenced bonds (the "Bonds") (capitalized terms used and not defined herein shall have the meanings given to them in the Contract):

1. Gas Purchaser is a [public corporation/municipal corporation/etc.] duly created and validly existing and in good standing under the laws of the State of Kentucky (the "State"), and has the corporate power and authority to enter into and perform its obligations under the Contract.

2. By all necessary official action on its part, the Gas Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Gas Purchaser of the obligations on its part contained in the Contract, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Contract constitutes the legal, valid and binding obligation of the Gas Purchaser.

4. The authorization, execution and delivery of the Contract and compliance with the provisions on the Gas Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

5. The Gas Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the

Gas Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Gas Purchaser under any of the foregoing.

6. Payments to be made by the Gas Purchaser under the Contract shall constitute operating expenses of the Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Gas Purchaser in any court or administrative body which would (a) contest the right of the officials of the Gas Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Gas Purchaser, (c) contest the validity, due authorization and execution of the Contract or (d) attempt to limit, enjoin or otherwise restrict or prevent the Gas Purchaser from executing, delivering and performing the Contract, nor to the knowledge of the Gas Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Gas Purchaser of its obligations under the Contract have been duly obtained.

9. The representations and warranties of the Gas Purchaser contained in the Contract were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Gas Purchaser, if any, contained in the Preliminary Official Statement dated _____, 2026 and the Official Statement dated _____, 2026 with respect to the Bonds, including Appendix B thereto (the "Official Statement"), fairly and accurately describe and summarize the financial and operating position of the Gas Purchaser for the periods shown therein, and such statements and information did not as of the date of the Preliminary Official Statement and the date of the Official Statement, respectively, and the Official Statement does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Gas Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Gas Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

City of Henderson, Kentucky

By _____

Name:

Title:

DRAFT

EXHIBIT I

COMMUNICATIONS PROTOCOL

1. OVERVIEW

This Communications Protocol shall apply to the gas deliveries contemplated under the following contracts (each, a “Gas Contract” and, collectively, the “Gas Contracts”):

- (a) pursuant to one or more contracts identified pursuant to Section 8 of this Communications Protocol as an Upstream Supply Contract, the Upstream Supplier is obligated to deliver the Contract Quantity to Citadel Energy Marketing LLC, (“CEM”) at the Delivery Point;
- (b) pursuant to that certain Gas Purchase, Sale and Service Agreement dated as of _____, 2026 (the “Gas Management Agreement”), between CEM and [GNM Energy Prepay I LLC] (“Prepay LLC”), CEM is obligated to deliver the Contract Quantity to Prepay LLC at the Delivery Point;
- (c) pursuant to that certain Prepaid Natural Gas Sales Agreement (the “Prepaid Agreement”) dated as of _____, 2026, between Prepay LLC and the Public Energy Authority of Kentucky (“Issuer”), Prepay LLC is obligated to deliver the Contract Quantity to Issuer at the Delivery Point;
- (d) pursuant to that certain Gas Supply Contract between Issuer and the City of Henderson, Kentucky (“Henderson”) dated as of _____, 2026, Issuer is obligated to deliver the Contract Quantity to Henderson at the Delivery Point;
- (e) pursuant to that certain Base Contract for Sale and Purchase of Natural Gas, dated as of _____ 1, 2026, and the Transaction Confirmation thereto, dated as of _____ 1, 2026 (the “Downstream Supply Contract”), between Henderson and Pratt Paper (KY) LLC (“Downstream Purchaser”), Henderson is obligated to deliver the Contract Quantity to Downstream Purchaser at the Delivery Point; and
- (f) to the extent an Upstream Supplier has agreed to this Communications Protocol in an Upstream Supply Contract, such Upstream Supply Contract.

2. ADDITIONAL DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Prepaid Agreement as in effect on the date it is first executed or as amended with the consent of each Relevant Party that is affected by such change. References to Sections are to the Sections of this Communications Protocol, unless specifically stated otherwise. The following terms used in this Communications Protocol shall have the following meanings:

- 2.1 “Contract Quantity” has the meaning specified in the Downstream Supply Contract.

- 2.2 “Delivery Point” has the meaning specified in the Downstream Supply Contract.
- 2.3 “Delivery Scheduling Entity” means CEM or another Person as the Delivery Scheduling Entity designated by CEM as set forth in Attachment 3 or in a subsequent written notice to Issuer, provided that during periods when an Upstream Supplier has been designated pursuant to Section 8, the Upstream Supplier will be the Delivery Scheduling Entity.
- 2.4 “Operational Nomination” has the meaning specified in Section 4.1.1.
- 2.5 “Receipt Scheduling Entity” means Downstream Purchaser unless Issuer designates another Person as set forth in Attachment 3 or in a subsequent written notice to Downstream Purchaser, or unless Downstream Purchaser designates another person as the Receipt Scheduling Entity, in which case this Communications Protocol will cease to apply to Downstream Purchaser.
- 2.6 “Relevant Party” means each of the Upstream Supplier, CEM, Prepay LLC, Issuer, Henderson, and Downstream Purchaser.
- 2.7 “Relevant Transporter” means any Transporter that will or is intended to transport Gas to be delivered or received under the Gas Contracts.
- 2.8 “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

3. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to a particular Gas Contract to which this Communications Protocol applies acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not party to a particular Gas Contract. In connection therewith:

- 3.1 Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder;
- 3.2 Each Relevant Party will cause its counterparty to each relevant Gas Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty;
- 3.3 No Relevant Party will amend any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party; and
- 3.4 No Relevant Party will waive any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

4. INFORMATION EXCHANGE AND COMMUNICATION

4.1 Communication of Operational Nomination Details

- 4.1.1 Prior to each Month during which Gas is required to be delivered under the Prepaid Agreement, the Receipt Scheduling Entity shall deliver an operational nomination in writing in a form substantially similar to Attachment 2 (the “Operational Nomination”) to each other Relevant Party no later than 8:30 am CPT on the second Business Day prior to the last day of exchange trading for Henry Hub Natural Gas Futures Contracts on the New York Mercantile Exchange (or any successor thereto) for deliveries in such Month. The Operational Nomination shall be delivered electronically to the notice addresses set forth on Attachment 1.
- 4.1.2 The Delivery Scheduling Entity shall update appropriate nomination details on the relevant Receipt Scheduling Entity’s Operational Nomination and forward to all other Relevant Parties by the close of the Business Day prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Point for deliveries in each Month in which Gas is to be delivered.
- 4.1.3 The Delivery Scheduling Entity shall, if necessary due to reduction during any Month, update appropriate nomination details on the relevant Receipt Scheduling Entity’s Operational Nomination and forward to all other Relevant Parties by not later than 8:00 am CPT two Business Days prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Point for deliveries on any Day or Days in which Gas is to be delivered.
- 4.1.4 The Scheduling Entities acknowledge and understand that changes to Operational Nomination details may occur after the deadline set forth in Section 4.1.1. The Scheduling Entity initiating the change will forward a revised Operational Nomination to the other Scheduling Entity (with a copy to each other Relevant Party) and the other Scheduling Entity will exercise Commercially Reasonable Efforts to accommodate such change(s). The Relevant Parties will exercise Commercially Reasonable Efforts to limit the amount of changes and accommodate requested changes at all times as allowed in the Transporter’s tariff.
- 4.1.5 For any other proposed changes to an Operational Nomination, the Scheduling Entities may initially communicate orally or via electronic means. However, such changes will be subsequently communicated as a revised Operational Nomination as outlined above as soon as reasonably possible.

- 4.1.6 To the extent an Upstream Supply Contract is in effect and the Upstream Supplier has not agreed to this Communication Protocol, scheduling will take place directly between Downstream Purchaser and Upstream Supplier pursuant to such Upstream Supply Contract without regard to this Section 4.1.

4.2 Event-specific Communications

- 4.2.1 The Scheduling Entities shall monitor pipeline notices that are relevant to the Delivery Point and provide Commercially Reasonable notification to the other Relevant Parties of maintenance or other issues that could impact Gas flow. In such event, the Relevant Parties may designate an Alternate Delivery Point by mutual agreement of all of the Relevant Parties, each in its sole discretion. The designation of an Alternate Delivery Point by mutual agreement may be initiated by means of oral communication between the Relevant Parties, but in such case, such Alternate Delivery Point shall be documented in writing by the Relevant Parties in compliance with the terms of the relevant Gas Contracts.
- 4.2.2 Each Scheduling Entity shall notify the other Relevant Parties as soon as practicable in the event of: (i) any deficiencies in scheduling related to such Scheduling Entity or such Scheduling Entity's Transporter; (ii) any deficiencies in scheduling related to the other such Scheduling Entity or such other Scheduling Entity's Transporter of which the notifying Scheduling Entity becomes aware; and (iii) any action taken by such Scheduling Entity's Transporter that would reasonably be expected to create issues related to Gas flow under the Prepaid Agreement.
- 4.2.3 To the extent an Upstream Supply Contract is in effect and the Upstream Supplier has not agreed to this Communication Protocol, Downstream Purchaser shall provide to each other Relevant Party all information that the Upstream Scheduling Entity would otherwise have been required to provide under this Section 4.2.

5. ACCESS AND INFORMATION

- 5.1 The Relevant Parties agree to provide relevant records from Transporters and any other Relevant Transporters necessary to document and verify Gas flows within and after the Month as needed to facilitate settlement under the Gas Contracts.
- 5.2 Each Relevant Party acknowledges that the Scheduling Entities may not have immediate access to Gas flow information at the Delivery Point. Therefore, the Scheduling Entities will closely monitor the available nomination information at the Delivery Point and promptly notify each other upon obtaining knowledge of any discrepancies in such nomination information and the quantities required to be delivered and taken under the applicable Gas Contracts at the Delivery Point. Each Relevant Party acknowledges and agrees that the inability of a Relevant

Party to immediately access Gas flow information at the Delivery Point shall not impact or be construed as a waiver of any of the rights and obligations of the Relevant Parties set forth in the applicable Gas Contract.

- 5.3 Each Scheduling Entity will use Commercially Reasonable Efforts to cooperate with CEM to ensure that CEM has sufficient agency rights from each such Scheduling Entity with respect to each Transporter to allow CEM to view Gas flows at the Delivery Point.

6. NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), email, courier, or personally delivered (including overnight delivery service) to the applicable representative of the other Relevant Party designated in Attachment 1 hereto. A Relevant Party may change its representative identified in Attachment 1 hereto at any time by written notice to each other Relevant Party. Any notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when sent by email or (iii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

7. NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Gas Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Gas Contracts; provided that no Relevant Party other than Upstream Supplier shall have any liability for damages or Imbalance Charges in respect of any Gas required to be scheduled or delivered under an Upstream Supply Contract that is not scheduled or delivered as required under such Upstream Supply Contract.

8. UPSTREAM SUPPLY CONTRACT

- 8.1 CEM and Downstream Purchaser may designate a contract as an "Upstream Supply Contract" by executing a designation in the form attached as Attachment 4 and delivering such designation to the other Relevant Parties, provided that (i) any such Upstream Supply Contract must include this Communications Protocol or such Upstream Supplier must otherwise agree to scheduling provisions consistent with the terms hereof, (ii) any upstream supplier thereunder must be contract-enabled with CEM; (iii) any upstream supplier thereunder must be able to satisfy Prepay LLC's internal requirements as they relate to "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, PATRIOT Act, and similar rules, regulations,

requirements and corresponding policies; (iv) any upstream supply contract must have a delivery period of a minimum of two years; (v) any upstream supplier must agree to enter into a Limited Assignment Agreement substantially in the form attached hereto as Attachment 5; and (vi) an Affiliate of Downstream Purchaser may only act as an upstream supplier (a) to the extent that it is acting as a replacement supplier due to the early termination of an Upstream Supply Contract and (b) for the remaining term for deliveries under such terminated Upstream Supply Contract. An “Upstream Supplier” is the seller of Gas to CEM under any Upstream Supply Contract.

- 8.2 Not later than 90 days prior to the expiration of any Upstream Supply Contract or immediately upon the early termination of any Upstream Supply Contract, CEM and Downstream Purchaser will begin to cooperate in good faith and exercise Commercially Reasonable Efforts to locate a replacement Upstream Supply Contract. CEM agrees that it will not unreasonably delay or withhold its consent to any Upstream Supply Contract proposed by Downstream Purchaser, provided that it shall not be unreasonable for CEM to withhold its consent if the proposed Upstream Supply Contract or Upstream Supplier thereunder (i) fails to satisfy the requirements set forth in Section 8.1 above or (ii) poses materially different risks to CEM or the other Relevant Parties (other than Downstream Purchaser) relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes relating to the Upstream Supplier being replaced that arose after such contract was initially assigned). If Downstream Purchaser does not propose an Upstream Supply Contract meeting the foregoing requirements by the date that is thirty (30) days prior to the expiration of an existing Upstream Supply Contract (or within ten (10) days after early termination thereof), then CEM may propose, but is not obligated to propose, an Upstream Supply Contract, to which Downstream Purchaser may consent or refuse to consent in its sole judgment. If either Downstream Purchaser or CEM does not consent to a replacement Upstream Supply Contract 20 days prior to the expiration of the existing Upstream Supply Contract, or if the Upstream Supply Contract terminates early or if otherwise an Upstream Supply Contract is not in place at any time, then the following terms shall apply until such time as a new Upstream Supply Contract is designated consistent with the terms hereof:

(i) the Delivery Point, effective as of (x) the first day of the Month following the expiration of an Upstream Supply Contract or (y) the first day of the second Month following the Month in which an early termination of an Upstream Supply occurs, as applicable, will be Texas Gas Zone 1A mainline until such time as a new Upstream Supply Contract is designated consistent with the terms hereof and CEM may in its reasonable discretion designate a basis adjustment to the index price based on then-current market conditions for a period of up to seven Months (any such period designated by CEM, a “CEM Supply Period”);

(ii) CEM will be the Delivery Scheduling Entity during any CEM Supply Period;

(iii) any Upstream Supply Contract designated during a CEM Supply Period must have a start date commencing on the first day of the Month following the end of such CEM Supply Period; and

(iv) to the extent that a replacement Upstream Supply Contract has not been designated by the date that is ten Business Days prior to the end of any such CEM Supply Period, CEM may designate a new basis adjustment consistent with clause (i) above (resulting in a new CEM Supply Period) and the terms specified in the preceding clauses (i), (ii), and (iii) shall apply to any such CEM Supply Period designated consistent with this clause (iv).

- 8.3 At any time an Upstream Supply Contract is in effect, no party to a Gas Contract (other than Downstream Purchaser and Upstream Supplier pursuant to the Upstream Supply Contract) will have any liability for Imbalance Charges under any Gas Contract. Any such Imbalance Charges will be resolved exclusively between the Downstream Purchaser and Upstream Supplier pursuant to the Upstream Supply Contract. "Imbalance Charges" means any fees, penalties, costs or charges (in cash or in kind) assessed by a transporter for failure to satisfy the transporter's balancing and/or nomination requirements based on such transporter's applicable pipeline tariff.
- 8.4 The declaration of "Force Majeure" by an Upstream Supplier under an Upstream Supply Contract shall be deemed Force Majeure for purposes of each of the Gas Contracts, and the early termination of an Upstream Supply Contract during an Assignment Period will be deemed Force Majeure for purposes of each of the Gas Contracts for the remainder of the Month in which such early termination occurs and the next following Month.

9. ATTACHMENTS

Attachment 1 – Notices and Key Personnel

Attachment 2 – Operational Nomination

Attachment 3 – Designation of Scheduling Entities Form

Attachment 4 – Upstream Contract Designation Form

Attachment 5 – Form of Limited Assignment Agreement

Notices and Key Personnel

CEM Scheduling Personnel:

Scheduling Team

Email:

Direct Phone:

Fax:

Issuer Scheduling:

Public Energy Authority of Kentucky

Email:

Direct Phone:

Cell Phone:

Fax:

Henderson Scheduling:

ATTN:

TEL#:

EMAIL:

Upstream Supplier Scheduling:

As provided by any applicable Upstream Supplier.

Downstream Purchaser Scheduling:

ICE Chat:

Direct Phone:

Cell Phone:

Email:

Form of Operational Nomination (Monthly)

Month: _____, 20__

<u>Pipeline</u>	<u>Delivery Point</u>	<u>Pipeline Meter Number</u>	<u>Pipeline Meter Name</u>	<u>Upstream Info</u>	<u>Upstream Duns</u>	<u>Downstream Info</u>	<u>Downstream Duns</u>	<u>Daily Contract Volume</u>	<u>Daily Remarketed Volume</u>	<u>Daily Nominated Volume</u>	<u>Monthly Contractual Volume</u>	<u>Monthly Remarketed Volume</u>	<u>Monthly Nominated Volume</u>
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/ /

Totals**Primary Contacts****Upstream Supplier:**

Other Contacts**Upstream Supplier:**

Downstream Purchaser:

ICE Chat:

Direct Phone:

Cell Phone:

Email:

Designation of Scheduling Entities Form**Receipt Scheduling Entity:**

Delivery Point: _____

Percentage of Daily Contract Quantity for Delivery Point that may be scheduled and nominated by Receipt Scheduling Entity: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):

_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):

_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____

[Submitted by Issuer:

PUBLIC ENERGY AUTHORITY OF KENTUCKY

By: _____

Name:

Title:]

[Submitted by CEM:

CITADEL ENERGY MARKETING LLC

By: _____

Name:

Title:]

Upstream Contract Designation Form

Date: [_____]

To: Issuer Scheduling and Henderson Scheduling

From: Citadel Energy Marketing and Pratt Paper (KY) LLC

This notice is delivered pursuant to the Communications Protocol to that certain Base Contract for Sale and Purchase of Natural Gas, dated as of _____1, 2026, and the Transaction Confirmation thereto, dated as of _____1, 2026, between the City of Henderson, Kentucky and Pratt Paper (KY) LLC (“Downstream Purchaser”). Capitalized terms used but not otherwise defined herein have the meaning set forth in the Communications Protocol.

Pursuant to Section 8.1 of the Communications Protocol, CEM and Downstream Purchaser hereby designate that certain [_____] with [Upstream Supplier] as an “Upstream Supply Contract” thereunder.

Submitted by:

CITADEL ENERGY MARKETING LLC

By: _____
Name:
Title:

PRATT PAPER (KY) LLC

By: _____
Name:
Title:

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2026, by and among [____], a [____] (“**Upstream Supplier**”), [____], a [____] (“**Industrial Customer**”) and Citadel Energy Marketing LLC, a Delaware limited liability company (“**CEM**”).

RECITALS

WHEREAS, Industrial Customer and Upstream Supplier are parties to that certain Base Contract for Sale and Purchase of Natural Gas, dated [____], and the Transaction Confirmation thereto dated [____] (the “**Upstream Supply Contract**”);

WHEREAS, with effect from and including the Assignment Period Start Date (as defined below), Industrial Customer wishes to transfer by partial assignment to CEM, and CEM wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Upstream Supplier, Industrial Customer and CEM (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

Section 1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Contract Price**” has the meaning specified in Appendix 1.

“**Assigned Daily Quantity**” has the meaning specified in Appendix 1.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Gas**” means any Gas to be delivered to CEM hereunder pursuant to the Assigned Rights and Obligations.

“**Assigned Rights and Obligations**” means (i) the rights of Industrial Customer under the Upstream Supply Contract to receive the Assigned Daily Quantity of Assigned Gas on each Day during the Assignment Period, and (ii) the Delivered Gas Payment Obligation, which right and obligation are transferred and conveyed to CEM hereunder.

“**Assignment Early Termination Date**” has the meaning specified in Section 5(b).

“**Assignment Period**” has the meaning specified in Section 5(a).

“Assignment Period End Date” means [____].

“Assignment Period Start Date” means [____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“CEM” has the meaning specified in the first paragraph of this Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, imbalance charges, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Delivered Gas Payment Obligation” has the meaning specified in Section 3(a).

“Downstream Supply Contract” means that certain Base Contract for Sale and Purchase of Natural Gas dated [____] and the Transaction Confirmation thereto dated [____].

“Gas” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“Gas Contracts” means the Gas Management Agreement, the Prepaid Agreement, the Gas Supply Contract and the Downstream Supply Contract.

“Gas Management Agreement” means that certain Gas Purchase, Sale and Service Agreement dated as of [____] by and between CEM and Prepay LLC.

“Gas Supply Contract” means that certain Commodity Supply Agreement dated as of [____] by and between Municipal Utility and Issuer.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Industrial Customer” has the meaning specified in the first paragraph of this Agreement.

“Issuer” means [____].

“Municipal Utility” means [____].

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Prepaid Agreement” means that certain Prepaid Natural Gas Sales Agreement dated as of [____] by and between Prepay LLC and Issuer.

“**Prepay LLC**” means [GNM Energy Prepay I LLC], a Delaware limited liability company.

“**Receivables**” has the meaning given to such term in Section 3(d).

“**Retained Rights and Obligations**” has the meaning specified in Section 3.

“**Upstream Supplier**” has the meaning specified in the first paragraph of this Agreement.

“**Upstream Supply Contract**” has the meaning specified in the recitals of this Agreement.

Section 2. Transfer and Undertakings.

(a) Industrial Customer hereby assigns, transfers and conveys to CEM all right, title and interest in and to the Assigned Rights and Obligations during the Assignment Period.

(b) Upstream Supplier hereby consents and agrees to Industrial Customer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Rights and Obligations to CEM and the exercise by CEM of the Assigned Rights and Obligations during the Assignment Period.

(c) CEM hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

Section 3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of Industrial Customer’s and Upstream Supplier’s rights and obligations under the Upstream Supply Contract, and that all rights and obligations arising under the Upstream Supply Contract that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of Industrial Customer and Upstream Supplier arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Gas Payment Obligation.** CEM’s sole obligation to Upstream Supplier will be to pay the Assigned Contract Price to Upstream Supplier for the Assigned Gas delivered on each Day of the Assignment Period on each applicable payment date under the Upstream Supply Contract for a quantity up to, but not exceeding, the Assigned Daily Quantity (the “**Delivered Gas Payment Obligation**”). Industrial Customer shall remain obligated to pay Upstream Supplier for all quantities and at the price specified in the Upstream Supply Contract, but Upstream Supplier shall credit the Delivered Gas Payment Obligation against the amounts otherwise due from Industrial Customer under the Upstream Supply Contract for each Day of the Assignment Period, and Industrial Customer shall remain solely

responsible for any payment obligations under the Upstream Supply Contract other than the Delivered Gas Payment Obligation during the Assignment Period.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Gas Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the Upstream Supply Contract, whether related to performance by the Upstream Supplier, Industrial Customer or CEM, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Gas Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between the Upstream Supplier and Industrial Customer in accordance with the Upstream Supply Contract. For the avoidance of doubt, the Parties acknowledge and agree that (i) Industrial Customer shall remain solely responsible for any amounts due under the Upstream Supply Contract as a result of Industrial Customer scheduling or otherwise taking less than the Assigned Daily Quantity for any reason on any Day during the Assignment Period, including as a result of any reduction in daily deliveries under the Upstream Supply Contract as a result of the Industrial Customer exercising any rights it may have under the Downstream Supply Contract to reduce its daily deliveries upon notice and (ii) any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between Upstream Supplier and Industrial Customer pursuant to the terms of the Upstream Supply Contract.

(c) **Scheduling.** All scheduling of Gas and other communications related to the Upstream Supply Contract shall take place between Industrial Customer and Upstream Supplier pursuant to the terms of the Upstream Supply Contract; provided that (i) Industrial Customer and Upstream Supplier will provide copies of all billing statements delivered during the Assignment Period to CEM and Issuer contemporaneously upon delivery of such statements to the other party to the Upstream Supply Contract; (ii) title to Assigned Gas will pass to CEM upon delivery by Upstream Supplier at the Assigned Delivery Point in accordance with the Upstream Supply Contract; (iii) immediately thereafter, title to such Assigned Gas will pass to Prepay LLC, Issuer, Municipal Utility and then to Industrial Customer upon delivery by CEM at the same point where title is passed to CEM pursuant to clause (ii) above; and (iv) Industrial Customer will be deemed to be acting as CEM's agent with regard to scheduling Assigned Gas.

(d) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC may purchase the rights to payment of the net amounts owed by Industrial Customer under the Downstream Supply Contract ("**Receivables**") in the case of non-payment by Industrial Customer. To the extent any such Receivables relate to Assigned Gas purchased by CEM pursuant to the Assigned Rights and Obligations, Prepay LLC may sell such Receivables to CEM and CEM may transfer such Receivables to Upstream Supplier and apply the face amount of such Receivables as a reduction to any Delivered Gas Payment Obligations; provided, however, that at no time shall Upstream Supplier be required to pay CEM for any amounts by which such Receivables exceed any Delivered Gas Payment Obligations then due and owed to Upstream Supplier. To effect such transfer, CEM shall deliver to Upstream Supplier a notice of intent to transfer Receivables not later than the payment due date for the Delivered Gas Payment Obligations and shall deliver to Upstream Supplier a bill of sale signed by CEM not later than five Business Days thereafter.

(e) **Amendments.** Neither Industrial Customer nor Upstream Supplier will consent to any amendment, waiver, supplement or other modification to the Upstream Supply Contract that would in any way affect the Assigned Rights and Obligations or CEM's rights or obligations under this Assignment Agreement without CEM's prior written consent, which consent may be withheld in CEM's sole discretion. Industrial Customer and Upstream Supplier will provide written notice (including copies thereof) of any other proposed or actual amendment, waiver, supplement, modification, or other changes to the Upstream Supply Contract to CEM prior to the effectiveness thereof.

Section 4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

Section 5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The "Assignment Period" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An "Assignment Early Termination Date" will occur under the following circumstances and as of the dates specified below:

- i. the assignment of the Downstream Supply Contract or the Gas Supply Contract by any party thereto, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;
- ii. the suspension, expiration, or termination of performance under the Upstream Supply Contract for any reason other than the occurrence of Force Majeure under and as defined in the Upstream Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of Upstream Supplier's last performance under the Upstream Supply Contract following such suspension, expiration, or termination;
- iii. termination or suspension of deliveries for any reason other than force majeure under any of the Gas Contracts, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- iv. the election of CEM in its sole discretion to declare an Assignment Early Termination Date as a result of (A) any event or circumstance that would give either Industrial Customer or Upstream Supplier the right to terminate or suspend performance under the Upstream Supply Contract (regardless of whether Industrial Customer or Upstream Supplier exercises such right) or (B) the execution of an amendment, waiver, supplement, modification or other change to the Upstream Supply Contract that adversely affects the Assigned Rights and Obligations or CEM's rights or obligations under this Agreement (provided that

CEM shall not have a right to terminate under this clause (B) to the extent that CEM (I) receives prior notice of such change and (II) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by CEM to Industrial Customer and Upstream Supplier;

v. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if CEM fails to pay when due any amounts owed to Upstream Supplier in respect of any Delivered Gas Payment Obligation and such failure continues for five Business Days following receipt by CEM of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Upstream Supplier to CEM and Industrial Customer; or

vi. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against CEM seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) CEM commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or CEM consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of CEM or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur immediately on the date of Upstream Supplier's delivery of notice of its election to CEM and Industrial Customer.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from CEM to Industrial Customer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from CEM to Industrial Customer, provided that (i) CEM shall remain responsible for the Delivered Gas Payment Obligation with respect to any Gas delivered to CEM prior to the Assignment Early

Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

Section 6. Representations and Warranties.

(a) **Copy of Upstream Supply Contract.** Upstream Supplier and Industrial Customer represent and warrant to CEM that a true, complete, and correct copy of the Upstream Supply Contract is attached hereto as Appendix 3.

(b) **No Default.** Upstream Supplier and Industrial Customer represent and warrant to CEM that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the Upstream Supply Contract or suspend performance thereunder.

(c) **Gas Contracts.** CEM represents that, to its knowledge, each of the Gas Contracts are in full force and effect as of the date hereof.

(d) **Other.** Each of Industrial Customer and Upstream Supplier represents and warrants to each other and to CEM that:

(1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

(2) all obligations of Industrial Customer and Upstream Supplier under the Upstream Supply Contract required to be performed on or before the Assignment Period Start Date have been fulfilled.

(e) **Representations.** Each Party represents to each of the other Parties:

(1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

(3) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit,

franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

- (4) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (5) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (6) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed appropriate. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement, it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.
- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

Section 7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

Section 8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

Section 9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

Section 10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

Section 11. Miscellaneous.

(a) **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAWS.

(b) **Jurisdiction.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN OR (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*; AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10, AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(c) **Waiver of Right to Trial by Jury.** EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF EITHER OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND EACH OF THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11(c).

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

CITADEL ENERGY MARKETING LLC

By: _____
Name: _____
Title: _____

[INDUSTRIAL CUSTOMER]

By: _____
Name: _____
Title: _____

[UPSTREAM SUPPLIER]

By: _____
Name: _____
Title: _____

Appendix 1

Assigned Rights and Obligations

Assigned Daily Quantity: [] MMBtu/day

Assigned Contract Price: []

Assigned Delivery Point: []

DRAFT

Appendix 2

Notice Information

Upstream Supplier:

As set forth in the Upstream Supply Contract

Industrial Customer:

[]
[]
[]

CEM:

Citadel Energy Marketing LLC
c/o Citadel Americas LLC
Southeast Financial Center
200 S. Biscayne Blvd., Suite 3300
Miami, FL 33131
CitadelAgreementNotice@citadel.com

Appendix 3

Copy of Upstream Supply Contract

[To be attached.]

DRAFT

Form of NAESB Contract

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: _____ 1, 2026. The parties to this Base Contract are the following:

PARTY A City of Henderson, Kentucky	PARTY NAME	PARTY B Pratt Paper (KY) LLC
	ADDRESS	
	BUSINESS WEBSITE	
	CONTRACT NUMBER	
	D-U-N-S® NUMBER	
<input checked="" type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:	TAX ID NUMBERS	<input checked="" type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:
Kentucky	JURISDICTION OF ORGANIZATION	[_____]
<input type="checkbox"/> Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> LLP <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Other: Municipality	COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> Limited Partnership <input type="checkbox"/> LLP <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Other: _____
Not applicable	GUARANTOR (IF APPLICABLE)	[Pratt Corporate Guarantor]
CONTACT INFORMATION		
ATTN: TEL#: EMAIL:	▪ COMMERCIAL	ATTN: TEL#: EMAIL:
ATTN: TEL#: EMAIL:	▪ SCHEDULING	ATTN: TEL#: EMAIL:
ATTN: TEL#: EMAIL:	▪ CONTRACT AND LEGAL NOTICES	ATTN: TEL#: EMAIL:
ATTN: TEL#: EMAIL:	▪ CREDIT	ATTN: TEL#: EMAIL:
ATTN: TEL#: EMAIL:	▪ TRANSACTION CONFIRMATIONS	ATTN: TEL#: EMAIL:
ACCOUNTING INFORMATION		
ATTN: <u>Payments to be made to Regions Bank, as trustee for the bondholders with respect to the bonds described in the Special Conditions of the Transaction Confirmation</u> TEL#: _____ FAX#: _____ EMAIL: _____	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	ATTN: TEL#: EMAIL:
Wells Fargo Bank 420 Montgomery Street San Francisco, CA 94104 ABA #: 121000248 DDA #: 2020050839788 Acct Name: SEI Private Tr Co ACF Regions FFC: CID PEAK 2026 Revenue Fund	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

Section 1.2 Transaction Procedure <input checked="" type="checkbox"/> Oral (default) OR <input type="checkbox"/> Written	Section 10.2 Additional Events of Default <input checked="" type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: see Special Provisions <input type="checkbox"/> Party B: see Special Provisions <input type="checkbox"/> Transactional Cross Default
Section 2.7 Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> Five (5) Business Days after receipt	
Section 2.8 Confirming Party <input type="checkbox"/> Seller (default) OR <input checked="" type="checkbox"/> Buyer	
Section 3.2 Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default), subject to the limitations set forth in Special Conditions 1, 14 and 17 of the Transaction Confirmation. OR <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages <input type="checkbox"/> Early Termination Damages Apply (default) OR <input checked="" type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.31 Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) OR <input type="checkbox"/> _____	Section 10.3.2 Other Agreement Setoffs <input type="checkbox"/> Other Agreement Setoffs Apply (default) <input type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input checked="" type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	
Section 7.2 Payment Date <input type="checkbox"/> 25 th Day of Month following Month of delivery (default) OR <input checked="" type="checkbox"/> 21 st Day of Month following Month of delivery or immediately preceding business day if the 21 st Day is not a business day	Section 15.5 Choice Of Law <u>Kentucky</u>
Section 7.2 Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check	Section 15.10 Confidentiality <input type="checkbox"/> Confidentiality applies (default) OR <input checked="" type="checkbox"/> Confidentiality does not apply
Section 7.7 Netting <input type="checkbox"/> Netting applies (default) OR <input checked="" type="checkbox"/> Netting does not apply	
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: <u>See the Special Conditions listed in the Transaction Confirmation attached as Exhibit A hereto, including Schedule A and Appendix I to the Transaction Confirmation.</u>	
<input type="checkbox"/> Addendum(s): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

City of Henderson, Kentucky		Pratt Paper (KY) LLC
By: _____		By: _____
Name: _____		Name: _____
Title: _____		Title: _____

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next

following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend

the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to set off any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may set off any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT**

TRANSACTION CONFIRMATION EXHIBIT A
FOR IMMEDIATE DELIVERY

Letterhead/Logo	Date: _____ 1, 2026. Transaction Confirmation #1
<p>This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____ 1, 2026. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract. The parties intend that this Transaction Confirmation shall be the only transaction confirmation as defined in Section 2.32 under this Contract.</p>	
SELLER: <u>City of Henderson, Kentucky</u> Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: <u>Pratt Paper (KY) LLC</u> Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____
Contract Price: The Index Price (as defined in Special Condition 8) on the flow date of deliveries, minus __ cents per MMBtu.	
Delivery Period: Begin: <u> </u> 1, 2026, or such later date as the beginning of gas deliveries of Prepaid Gas (as described in Special Condition 5, below) to Seller under its Gas Supply Contract with the Public Energy Authority of Kentucky ("PEAK"), dated as of _____ 1, 2026, (the "Gas Supply Contract"). End: <u> </u> , provided that (x) the Delivery Period shall automatically extend thereafter for successive one year periods unless terminated by either party giving notice of non-renewal to the other at least two years prior to the relevant end date; and (y) notwithstanding the foregoing, the Delivery Period shall end upon the earlier of (i) the termination of deliveries under the Gas Supply Contract and (ii) <u>Insert</u> end of gas flows for Initial Discount Period].	
Performance Obligation and Contract Quantity: (Select One) Firm (Fixed Quantity): _____ MMBtu/day	
Delivery Point(s): _____, as set forth in an Upstream Supply Contract designated pursuant to the communications protocol set forth in Appendix I to this Transaction Confirmation (the " <u>Communications Protocol</u> "). The cost of transportation to Buyer's manufacturing site in Henderson, Kentucky Plant, including all charges under an Upstream Supply Contract and all charges under any transportation contract between Seller and Buyer, shall be borne by Buyer.	

Special Conditions:

1. Daily Reduction. The Oral Transaction Procedure set forth in Section 1.2 is only applicable to daily reductions in scheduled volumes as a result of a lack of sufficient requirements by Buyer to take the full Contract Quantity on any Day at the Plant. If Buyer reasonably determines that its total Gas requirements for the Plant will be less than the Contract Quantity for any Day during a Month, then Buyer may reduce the Contract Quantity for such Day by delivering written notice in accordance with the Communications Protocol, provided that such notice: (a) is delivered to Seller or its designated Agent not later than 8:00 am CPT two Business Days prior to nominations leaving control of the nominating party for the first timely nomination cycle for the Transporter for the relevant Day and at the Delivery Point; provided, however, if the Transporter modifies its nomination process, Seller may propose to modify the preceding deadline, subject to Buyer's consent, which consent shall not be unreasonably withheld or delayed; (b) specifies an equal quantity of Gas to be remarketed on Days covering a weekend or any other set of Days that is generally scheduled as a block in the Gas industry; and (c) complies with Special Condition 2 below. For the avoidance of doubt, Buyer may only issue a single remarketing notice for any such set of Days covering the weekend or other relevant block of Days. In the event the Spot Price for the flow date of such turned-back Gas is less than the Index Price and subject to Special Condition 14, Buyer shall be responsible for making a payment to Seller equal to the result of multiplying (i) the portion of the Contract Quantity not taken by Buyer for the applicable Day(s) by (ii) the positive difference, if any, between the Index Price and the Spot Price on such Day(s). As used in this Special Condition 1, "Spot Price" means the Midpoint price (in \$/MMBtu) published in Gas Daily

(published by S&P Global Platts, a division of S&P Global Inc.) under the heading "Daily Price Survey – Platts Locations" for the Gas Daily pricing point corresponding to _____ for the "Flow date".

2. Requirements. In determining the portion of its Gas requirements for the Plant to be purchased under this Contract, Buyer shall not include or anticipate Gas delivered from any other source, notwithstanding that the parties recognize that Buyer may schedule gas to be delivered under other contracts in addition to, but not in substitution for, gas delivered under this Contract; provided furthermore that, for the avoidance of doubt, Gas procured pursuant to this Contract shall be used in the Plant's operations prior to any other Gas, *i.e.*, that it shall be the first Gas through the meter. The parties recognize that Buyer shall purchase and schedule other Gas supply to meet its requirements above the Contract Quantity.

3. Communications Protocol: Gas Contracts. The parties acknowledge and agree to the terms of the Communications Protocol attached as Appendix I hereto as if fully set forth herein. In addition, Seller agrees to notify Buyer or cause Buyer to be notified upon the execution of the Gas Contracts described in Paragraph 1(a)-(e) of the Communications Protocol, which notice shall include the dates such Gas Contracts are entered into. To the extent that the Prepaid Agreement is not executed on or before December 31, 2026, each party shall have a right to terminate this Transaction Confirmation with the effect that this Transaction Confirmation shall be of no further force or effect and the parties shall have no rights or obligations hereunder.

4. Force Majeure. To the extent any non-performance of Seller under this Contract is caused by a failure to perform by PEAK under the Gas Supply Contract for which PEAK claims Force Majeure, Seller shall be excused hereunder for such non-performance by reason of Force Majeure.

5. Prepaid Gas. Buyer acknowledges that the Gas delivered under this Contract is Gas purchased by Seller as part of a Gas prepayment transaction involving the issuance of tax-exempt bonds by PEAK under Section 148(b)(4) of the Internal Revenue Code and U.S. Treasury Regulations. PEAK and Seller will enter into the Gas Supply Contract pursuant to which PEAK shall deliver the Contract Quantity to Seller. Seller shall deliver the Contract Quantity to Buyer pursuant to this Contract. Accordingly, Buyer covenants that it will use the Gas only in its industrial operations at the Plant and will not sell the Gas to any third party unless such sale is approved in writing by Seller, PEAK and Benedict Place [] LLC ("Prepay LLC", the Prepaid Gas Supplier in the prepayment transaction) (or its successor). In addition, in the event the Gas Supply Contract terminates because of a failed remarketing of the bonds that occurs in the first Month of a Reset Period (as defined in the Gas Supply Contract), Seller shall deliver Gas hereunder for the remainder of such first Month, and, notwithstanding anything herein to the contrary, the Contract Price for all Gas deliveries made during such first Month shall be the applicable Index Price with no discount associated with such deliveries. Buyer agrees, and recognizes and affirms, that during the term of the Gas Supply Contract, it shall not and shall not be permitted to purchase Prepaid Gas for the Plant from any entity other than Seller and that this restriction survives the term of this Contract. "Prepaid Gas" means any Gas acquired by any seller of such Gas as part of a Gas prepayment transaction involving the issuance of tax-exempt bonds under Section 148(b)(4) of the Internal Revenue Code and/or U.S. Treasury Regulations.

6. Sale of Plant. If at any time Buyer anticipates selling all or any portion of the Plant that would affect Buyer's Gas requirements for the Plant, Buyer shall notify Seller in advance, which notice shall include the portion of the Plant to be transferred, the transferee thereof, and the effect such transfer will have on Buyer's Gas requirements for the Plant. If requested by Seller, Buyer shall cause the transferee of the Plant or portion thereof to take assignment of this Contract (or a partial assignment, to the extent less than the full Plant is being transferred).

7. Transfer of Receivables. Buyer acknowledges that Prepay LLC will provide to Seller (through PEAK) an agreement to purchase receivables as part of the prepaid gas agreement to be entered into between Prepay LLC and PEAK (the "Receivables Purchase Provisions"), under which Prepay LLC may purchase certain receivables representing Seller's rights to receive payment from Buyer for delivery of Gas hereunder. Buyer agrees that upon any such purchase, Prepay LLC or any third party who purchases such receivables from Prepay LLC shall thereafter have all rights of collection for the applicable amount due as may be available to Seller hereunder, and agrees to comply with any irrevocable payment instruction delivered in connection with such purchase. Buyer acknowledges further that if such receivables are not purchased by Prepay LLC, the Commodity Swap Counterparty (as defined in the Gas Supply Contract) shall have the right to pursue collection of such receivables to the extent of any non-payment by PEAK under the applicable Commodity Swap (as defined in the Gas Supply Contract) that was caused by Buyer's payment default under this Contract.

8. Defined Term -- Index Price: With respect to any Day, the price (in \$/MMBtu) published in *Inside FERC's Gas Market Report* (published by S&P Global Platts, a division of S&P Global Inc.) under the heading "Monthly Bidweek Spot Gas Prices - Platts Locations" for "_____" for the "Flow date" corresponding to such Day, plus any basis adjustment to the index that is (i) set forth in an Upstream Supply Contract (as defined in the Communications Protocol) while an Upstream Supply Contract has been designated and is in effect or (ii) designated by Citadel Energy Marketing LLC (as defined in the Communications Protocol) in its reasonable discretion pursuant to the Communications Protocol while an Upstream Supply Contract has not been designated.

9. Enforceability Opinion or Officer's Certificate. Contemporaneous with the execution of this Transaction Confirmation, Buyer shall deliver an opinion of counsel or an officer's certificate in a form reasonably satisfactory to Seller, PEAK and Prepay LLC regarding (i) Buyer's ability to enter into and perform its obligations under this Contract and (ii) the Guarantor's ability to enter into and perform its obligations under its guaranty of Buyer's obligations under this Transaction Confirmation.

10. Events of Default. The parties hereby agree to modify the Base Contract by incorporating the following proviso at the end of Section 10.2: "provided that, notwithstanding the foregoing, the Events of Default described in clauses (i) - (v) above shall constitute Events of Default only with respect to Party B".

11. Pledge to PEAK. Buyer acknowledges and agrees that, subject to the rights of Prepay LLC under the Receivables

Purchase Provisions, Seller shall pledge, assign and grant a security interest to PEAK in all of its right, title and interest in, to and under this Contract and the payments received hereunder in order to secure the full and prompt payment and performance of its obligations to PEAK under the Gas Supply Contract.

12. Payments Under Section 7. Subject to the second sentence of this Special Condition 12 but notwithstanding any other provision of this Contract and for the avoidance of doubt, Buyer shall make all payments for Gas delivered to the Account identified on page 1 of this Contract under the heading Accounting Information by wire transfer in immediately available funds by no later than the 21st Day of the month following the month of delivery or the immediately preceding Business Day if the 21st Day is not a Business Day. The requirement as set forth on page 1 of this Contract and in this Special Condition 12 supersedes the “later of” and “next business day” provisions of Section 7.2 of this Contract and is without regard to the timing of receipt of an invoice by Buyer so long as the invoice is received at least 2 business days prior to the 21st Day of the month following the month of delivery or the immediately preceding Business Day if the 21st Day is not a Business Day. Buyer’s failure to timely pay the amount due in the prescribed manner may result in immediate cessation of deliveries of Gas by Seller to Buyer under this Contract.

13. Loss of Requirements. In the event Buyer experiences a permanent loss of requirements for Gas at the Plant below the level of the Contract Quantity, Buyer shall so notify Seller and all other parties under the Communications Protocol, and the Contract Quantity shall be reduced to the new level of Buyer’s requirements, including to 0 MMBtu per day in the case of a shutdown of the Plant.

14. Limitations on Damages. Notwithstanding any other provision of this Contract, if the full Contract Quantity is not delivered, taken or scheduled hereunder for any reason while an Upstream Supply Contract (as defined in the Communications Protocol) has been designated and is in effect, then (a) neither party shall have any liability whatsoever to the other under this Contract with respect thereto, and (b) any claims relating thereto shall be resolved exclusively between Buyer and the relevant Upstream Supplier (as defined in the Communications Protocol) under the Upstream Supply Contract.

15. Termination by Seller. Buyer and Seller agree that if the Gas Supply Contract is terminated prior to the expiration of its term, or if the deliveries of Prepaid Gas to Seller under the Gas Supply Contract are terminated, Seller may, at its discretion, terminate this Contract by written notice to Buyer, effective on the date provided in such notice.

16. Limitation on Seller’s Liability. Buyer and Seller agree that all of Seller’s payment obligations under this Contract are special obligations payable solely from amounts it may receive from time to time under the Gas Supply Contract.

17. Limitation on Seller’s Indemnity. Section 8.3 is amended by adding the following clause at the beginning thereof: “To the extent permitted by law,”.

18. Payments: Sections 7.4 and 7.5 are amended by deleting both Sections in their entirety, and inserting the following in lieu thereof:

“In the event Buyer fails to pay an amount when due under this Contract, interest thereon shall accrue at a rate of interest per annum equal to the then-effective prime rate of interest published under ‘Money Rates’ by The Wall Street Journal plus two percent from the due date until paid. If Buyer disputes the appropriateness of any charge or calculation in any billing statement, Buyer, within the time provided for payment, shall notify Seller of the existence of and basis for such dispute and, absent manifest error, shall pay all amounts billed by Seller, including any amounts in dispute. If it is ultimately determined that Buyer did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the parties have irrevocably agreed not to appeal, Seller shall pay Buyer that amount plus interest as calculated in accordance with this Section.”

19. Third Party Rights. Section 15.7 of this Contract is modified by the substantive provisions of Special Conditions 7 and 11 and the terms of the Communications Protocol regarding the designation (i) of an Upstream Supply Contract as defined thereunder and (ii) any basis adjustment to the Index Price.

Seller: City of Henderson, Kentucky	Buyer: Pratt Paper (KY) LLC
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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APPENDIX I

COMMUNICATIONS PROTOCOL

1. OVERVIEW

This Communications Protocol shall apply to the gas deliveries contemplated under the following contracts (each, a “Gas Contract” and, collectively, the “Gas Contracts”):

- (a) pursuant to one or more contracts identified pursuant to Section 8 of this Communications Protocol as an Upstream Supply Contract, the Upstream Supplier is obligated to deliver the Contract Quantity to Citadel Energy Marketing LLC, (“CEM”) at the Delivery Point;
- (b) pursuant to that certain Gas Purchase, Sale and Service Agreement dated as of _____, 2026 (the “Gas Management Agreement”), between CEM and Benedict Place [] LLC (“Prepay LLC”), CEM is obligated to deliver the Contract Quantity to Prepay LLC at the Delivery Point;
- (c) pursuant to that certain Prepaid Natural Gas Sales Agreement (the “Prepaid Agreement”) dated as of _____, 2026 between Prepay LLC and the Public Energy Authority of Kentucky (“Issuer”), Prepay LLC is obligated to deliver the Contract Quantity to Issuer at the Delivery Point;
- (d) pursuant to that certain Gas Supply Contract between Issuer and the City of Henderson, Kentucky (“Henderson”) dated as of _____, 2026, Issuer is obligated to deliver the Contract Quantity to Henderson at the Delivery Point; and
- (e) pursuant to that certain Base Contract for Sale and Purchase of Natural Gas, dated as of _____ 1, 2026 and the Transaction Confirmation thereto, dated as of _____ 1, 2026 (the “Downstream Supply Contract”), between Henderson and Pratt Paper (KY) LLC (“Downstream Purchaser”), Henderson is obligated to deliver the Contract Quantity to Downstream Purchaser at the Delivery Point.

2. ADDITIONAL DEFINED TERMS

Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Prepaid Agreement as in effect on the date it is first executed or as amended with the consent of each Relevant Party that is affected by such change. References to Sections are to the Sections of this Communications Protocol, unless specifically stated otherwise. The following terms used in this Communications Protocol shall have the following meanings:

- 2.1 “Contract Quantity” has the meaning specified in the Downstream Supply Contract.

- 2.2 “Delivery Point” has the meaning specified in the Downstream Supply Contract.
- 2.3 “Delivery Scheduling Entity” means CEM or another Person as the Delivery Scheduling Entity designated by CEM as set forth in Attachment 3 or in a subsequent written notice to Issuer, provided that during periods when an Upstream Supplier has been designated pursuant to Section 8, the Upstream Supplier will be the Delivery Scheduling Entity.
- 2.4 “Operational Nomination” has the meaning specified in Section 4.1.1.
- 2.5 “Receipt Scheduling Entity” means Downstream Purchaser unless Issuer designates another Person as set forth in Attachment 3 or in a subsequent written notice to Downstream Purchaser, or unless Downstream Purchaser designates another person as the Receipt Scheduling Entity, in which case this Communications Protocol will cease to apply to Downstream Purchaser.
- 2.6 “Relevant Party” means each of the Upstream Supplier, CEM, Prepay LLC, Issuer, Henderson, and Downstream Purchaser.
- 2.7 “Relevant Transporter” means any Transporter that will or is intended to transport Gas to be delivered or received under the Gas Contracts.
- 2.8 “Scheduling Entities” means the Receipt Scheduling Entity and the Delivery Scheduling Entity.

3. AGREEMENTS OF RELEVANT PARTIES

Each Relevant Party that is a party to a particular Gas Contract to which this Communications Protocol applies acknowledges that this Communications Protocol sets forth certain obligations that may be delegated to other Relevant Parties that are not party to a particular Gas Contract. In connection therewith:

- 3.1 Each Relevant Party shall be entitled to rely exclusively on any communications or directions given by a Delivery Scheduling Entity or Receipt Scheduling Entity, in each case to the extent such communications are permitted hereunder;
- 3.2 Each Relevant Party will cause its counterparty to each relevant Gas Contract to comply with the provisions of this Communications Protocol as the provisions apply to such counterparty;
- 3.3 No Relevant Party will amend any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party; and

- 3.4 No Relevant Party will waive any provision of this Communications Protocol in a Gas Contract without the consent of each other Relevant Party whose rights or obligations would be materially and adversely affected by such waiver.

4. INFORMATION EXCHANGE AND COMMUNICATION

4.1 Communication of Operational Nomination Details

- 4.1.1 Prior to each Month during which Gas is required to be delivered under the Prepaid Agreement, the Receipt Scheduling Entity shall deliver an operational nomination in writing in a form substantially similar to Attachment 2 (the "Operational Nomination") to each other Relevant Party no later than 8:30 am CPT on the second Business Day prior to the last day of exchange trading for Henry Hub Natural Gas Futures Contracts on the New York Mercantile Exchange (or any successor thereto) for deliveries in such Month. The Operational Nomination shall be delivered electronically to the notice addresses set forth on Attachment 1.
- 4.1.2 The Delivery Scheduling Entity shall update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by the close of the Business Day prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Point for deliveries in each Month in which Gas is to be delivered.
- 4.1.3 The Delivery Scheduling Entity shall, if necessary due to reduction during any Month, update appropriate nomination details on the relevant Receipt Scheduling Entity's Operational Nomination and forward to all other Relevant Parties by not later than 8:00 am CPT two Business Days prior to nominations leaving control of the nominating Scheduling Entity for the first timely nomination cycle for the Transporters at the Delivery Point for deliveries on any Day or Days in which Gas is to be delivered.
- 4.1.4 The Scheduling Entities acknowledge and understand that changes to Operational Nomination details may occur after the deadline set forth in Section 4.1.1. The Scheduling Entity initiating the change will forward a revised Operational Nomination to the other Scheduling Entity (with a copy to each other Relevant Party) and the other Scheduling Entity will exercise Commercially Reasonable Efforts to accommodate such change(s). The Relevant Parties will exercise Commercially Reasonable Efforts to limit the amount of changes and accommodate requested changes at all times as allowed in the Transporter's tariff.

4.1.5 For any other proposed changes to an Operational Nomination, the Scheduling Entities may initially communicate orally or via electronic means. However, such changes will be subsequently communicated as a revised Operational Nomination as outlined above as soon as reasonably possible.

4.2 Event-specific Communications

4.2.1 The Scheduling Entities shall monitor pipeline notices that are relevant to the Delivery Point and provide Commercially Reasonable notification to the other Relevant Parties of maintenance or other issues that could impact Gas flow. In such event, the Relevant Parties may designate an Alternate Delivery Point by mutual agreement of all of the Relevant Parties, each in its sole discretion. The designation of an Alternate Delivery Point by mutual agreement may be initiated by means of oral communication between the Relevant Parties, but in such case, such Alternate Delivery Point shall be documented in writing by the Relevant Parties in compliance with the terms of the relevant Gas Contracts.

4.2.2 Each Scheduling Entity shall notify the other Relevant Parties as soon as practicable in the event of: (i) any deficiencies in scheduling related to such Scheduling Entity or such Scheduling Entity's Transporter; (ii) any deficiencies in scheduling related to the other such Scheduling Entity or such other Scheduling Entity's Transporter of which the notifying Scheduling Entity becomes aware; and (iii) any action taken by such Scheduling Entity's Transporter that would reasonably be expected to create issues related to Gas flow under the Prepaid Agreement.

5. ACCESS AND INFORMATION

5.1 The Relevant Parties agree to provide relevant records from Transporters and any other Relevant Transporters necessary to document and verify Gas flows within and after the Month as needed to facilitate settlement under the Gas Contracts.

5.2 Each Relevant Party acknowledges that the Scheduling Entities may not have immediate access to Gas flow information at the Delivery Point. Therefore, the Scheduling Entities will closely monitor the available nomination information at the Delivery Point and promptly notify each other upon obtaining knowledge of any discrepancies in such nomination information and the quantities required to be delivered and taken under the applicable Gas Contracts at the Delivery Point. Each Relevant Party acknowledges and agrees that the inability of a Relevant Party to immediately access Gas flow information at the Delivery Point shall not

impact or be construed as a waiver of any of the rights and obligations of the Relevant Parties set forth in the applicable Gas Contract.

- 5.3 Each Scheduling Entity will use Commercially Reasonable Efforts to cooperate with CEM to ensure that CEM has sufficient agency rights from each such Scheduling Entity with respect to each Transporter to allow CEM to view Gas flows at the Delivery Point.

6. NOTICES

Any notice, demand, request or other communication required or authorized by this Communications Protocol to be given by one Relevant Party to another Relevant Party shall be in writing, except as otherwise expressly provided herein. It shall be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), email, courier, or personally delivered (including overnight delivery service) to the applicable representative of the other Relevant Party designated in Attachment 1 hereto. A Relevant Party may change its representative identified in Attachment 1 hereto at any time by written notice to each other Relevant Party. Any notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic transmittal receipt, (ii) when sent by email or (iii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Relevant Party shall have the right, upon written notice to the other Relevant Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address.

7. NO IMPACT ON CONTRACTUAL OBLIGATIONS

Except as expressly set forth herein or in an applicable Gas Contract, nothing in this Communications Protocol nor any Relevant Party's actions or inactions hereunder shall have any impact on any Relevant Party's rights or obligations under the Gas Contracts; provided that no Relevant Party other than Upstream Supplier shall have any liability for damages or Imbalance Charges in respect of any Gas required to be scheduled or delivered under an Upstream Supply Contract that is not scheduled or delivered as required under such Upstream Supply Contract.

8. UPSTREAM SUPPLY CONTRACT

- 8.1 CEM and Downstream Purchaser may designate a contract as an "Upstream Supply Contract" by executing a designation in the form attached as Attachment 4 and delivering such designation to the other Relevant Parties, provided that (i) any such Upstream Supply Contract must include this Communications Protocol or such Upstream Supplier must otherwise agree to scheduling provisions consistent with the terms hereof, (ii) any upstream supplier thereunder must be contract-enabled with CEM; (iii) any upstream supplier thereunder must be able to satisfy Prepay LLC's internal requirements as they relate to "know your customer" rules, policies and

procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, PATRIOT Act, and similar rules, regulations, requirements and corresponding policies; (iv) any upstream supply contract must have a delivery period of a minimum of two years; (v) any upstream supplier must agree to enter into a Limited Assignment Agreement substantially in the form attached hereto as Attachment 5; and (vi) an Affiliate of Downstream Purchaser may only act as an upstream supplier (a) to the extent that it is acting as a replacement supplier due to the early termination of an Upstream Supply Contract and (b) for the remaining term for deliveries under such terminated Upstream Supply Contract. An "Upstream Supplier" is the seller of Gas to CEM under any Upstream Supply Contract.

- 8.2 Not later than 90 days prior to the expiration of any Upstream Supply Contract or immediately upon the early termination of any Upstream Supply Contract, CEM and Downstream Purchaser will begin to cooperate in good faith and exercise Commercially Reasonable Efforts to locate a replacement Upstream Supply Contract. CEM agrees that it will not unreasonably delay or withhold its consent to any Upstream Supply Contract proposed by Downstream Purchaser, provided that it shall not be unreasonable for CEM to withhold its consent if the proposed Upstream Supply Contract or Upstream Supplier thereunder (i) fails to satisfy the requirements set forth in Section 8.1 above or (ii) poses materially different risks to CEM or the other Relevant Parties (other than Downstream Purchaser) relative to the Upstream Supply Contract and Upstream Supplier that is being replaced (without regard to any adverse changes relating to the Upstream Supplier being replaced that arose after such contract was initially assigned). If Downstream Purchaser does not propose an Upstream Supply Contract meeting the foregoing requirements by the date that is thirty (30) days prior to the expiration of an existing Upstream Supply Contract (or within ten (10) days after early termination thereof), then CEM may propose, but is not obligated to propose, an Upstream Supply Contract, to which Downstream Purchaser may consent or refuse to consent in its sole judgment. If either Downstream Purchaser or CEM does not consent to a replacement Upstream Supply Contract 20 days prior to the expiration of the existing Upstream Supply Contract, or if the Upstream Supply Contract terminates early or if otherwise an Upstream Supply Contract is not in place at any time, then the following terms shall apply until such time as a new Upstream Supply Contract is designated consistent with the terms hereof:

(i) the Delivery Point, effective as of (x) the first day of the Month following the expiration of an Upstream Supply Contract or (y) the first day of the second Month following the Month in which an early termination of an Upstream Supply occurs, as applicable, will be FGT Zone 3 Pool until such time as a new Upstream Supply Contract is designated consistent with the terms hereof and CEM may in its

reasonable discretion designate a basis adjustment to the index price based on then-current market conditions for a period of up to seven Months (any such period designated by CEM, a “CEM Supply Period”);

(ii) CEM will be the Delivery Scheduling Entity during any CEM Supply Period;

(iii) any Upstream Supply Contract designated during a CEM Supply Period must have a start date commencing on the first day of the Month following the end of such CEM Supply Period; and

(iv) to the extent that a replacement Upstream Supply Contract has not been designated by the date that is ten Business Days prior to the end of any such CEM Supply Period, CEM may designate a new basis adjustment consistent with clause (i) above (resulting in a new CEM Supply Period) and the terms specified in the preceding clauses (i), (ii), and (iii) shall apply to any such CEM Supply Period designated consistent with this clause (iv).

- 8.3 The declaration of “Force Majeure” by an Upstream Supplier under an Upstream Supply Contract shall be deemed Force Majeure for purposes of each of the Gas Contracts, and the early termination of an Upstream Supply Contract during an Assignment Period will be deemed Force Majeure for purposes of each of the Gas Contracts for the remainder of the Month in which such early termination occurs and the next following Month.

9. ATTACHMENTS

Attachment 1 – Notices and Key Personnel

Attachment 2 – Operational Nomination

Attachment 3 – Designation of Scheduling Entities Form

Attachment 4 – Upstream Contract Designation Form

Attachment 5 – Form of Limited Assignment Agreement

Notices and Key Personnel

CEM Scheduling Personnel:

Scheduling Team

Email:

Direct Phone:

Fax:

Issuer Scheduling:

Public Energy Authority of Kentucky

Email:

Direct Phone:

Cell Phone:

Fax:

Henderson Scheduling:

ATTN:

TEL#:

EMAIL:

Upstream Supplier Scheduling:

As provided by any applicable Upstream Supplier.

Downstream Purchaser Scheduling:

ICE Chat:

Direct Phone:

Cell Phone:

Email:

Form of Operational Nomination (Monthly)

Month: _____, 20__

<u>Pipeline</u>	<u>Delivery</u> <u>Point</u>	<u>Pipeline</u> <u>Meter</u> <u>Number</u>	<u>Pipeline</u> <u>Meter</u> <u>Name</u>	<u>Upstrea</u> <u>m Info</u>	<u>Upstrea</u> <u>m Duns</u>	<u>Downstr</u> <u>eam Info</u>	<u>Downstr</u> <u>eam</u> <u>Duns</u>	<u>Daily</u> <u>Contract</u> <u>Volume</u>	<u>Daily</u> <u>Remark</u> <u>ed</u> <u>Volume</u>	<u>Daily</u> <u>Nominat</u> <u>ed</u> <u>Volume</u>	<u>Monthly</u> <u>Contract</u> <u>ual</u> <u>Volume</u>	<u>Monthly</u> <u>Remark</u> <u>ed</u> <u>Volume</u>	<u>Monthly</u> <u>Nominat</u> <u>ed</u> <u>Volume</u>
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[] []

[] []

Totals**Primary Contacts****Upstream Supplier:**

Other Contacts**Upstream Supplier:**

Downstream Purchaser:

ICE Chat:

Direct Phone:

Cell Phone:

Email:

Designation of Scheduling Entities Form**Receipt Scheduling Entity:**

Delivery Point: _____

Percentage of Daily Contract Quantity for Delivery Point that may be scheduled and nominated by Receipt Scheduling Entity: _____

Effective Date(s) of Service of Receipt Scheduling Entity (full Months only):

_____, _____ to _____, _____, if applicable

Notice Information for Receipt Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____

Delivery Scheduling Entity:

Delivery Point: _____

Effective Date(s) of Service of Delivery Scheduling Entity (full Months only):

_____, _____ to _____, _____, if applicable

Notice Information for Delivery Scheduling Entity:

Name: _____

Attention: _____

Address: _____

Telephone: _____

Fax: _____

[Submitted by Issuer:

PUBLIC ENERGY AUTHORITY OF KENTUCKY

By: _____

Name:

Title:]

[Submitted by CEM:

CITADEL ENERGY MARKETING LLC

By: _____

Name:

Title:]

Upstream Contract Designation Form

Date: [_____]

To: Issuer Scheduling and Henderson Scheduling

From: Citadel Energy Marketing and Pratt Paper (KY) LLC

This notice is delivered pursuant to the Communications Protocol to that certain Base Contract for Sale and Purchase of Natural Gas, dated as of _____1, 2026, and the Transaction Confirmation thereto, dated as of _____1, 2024, between the City of Henderson, Kentucky and Pratt Paper (KY) LLC ("Downstream Purchaser"). Capitalized terms used but not otherwise defined herein have the meaning set forth in the Communications Protocol.

Pursuant to Section 8.1 of the Communications Protocol, CEM and Downstream Purchaser hereby designate that certain [_____] with [Upstream Supplier] as an "Upstream Supply Contract" thereunder.

Submitted by:

CITADEL ENERGY MARKETING LLC

By: _____
Name:
Title:

PRATT PAPER (KY) LLC

By: _____
Name:
Title:

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this “**Agreement**”) is entered into as of [____], 2024 by and among [____], a [____] (“**Upstream Supplier**”), [____], a [____] (“**Industrial Customer**”) and Citadel Energy Marketing LLC, a Delaware limited liability company (“**CEM**”).

RECITALS

WHEREAS, Industrial Customer and Upstream Supplier are parties to that certain Base Contract for Sale and Purchase of Natural Gas, dated [____], and the Transaction Confirmation thereto dated [____] (the “**Upstream Supply Contract**”);

WHEREAS, with effect from and including the Assignment Period Start Date (as defined below), Industrial Customer wishes to transfer by partial assignment to CEM, and CEM wishes to accept the transfer by partial assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below);

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Upstream Supplier, Industrial Customer and CEM (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

Section 1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

“**Agreement**” has the meaning specified in the first paragraph above.

“**Assigned Contract Price**” has the meaning specified in Appendix 1.

“**Assigned Daily Quantity**” has the meaning specified in Appendix 1.

“**Assigned Delivery Point**” has the meaning specified in Appendix 1.

“**Assigned Gas**” means any Gas to be delivered to CEM hereunder pursuant to the Assigned Rights and Obligations.

“**Assigned Rights and Obligations**” means (i) the rights of Industrial Customer under the Upstream Supply Contract to receive the Assigned Daily Quantity of Assigned Gas on each Day during the Assignment Period, and (ii) the Delivered Gas Payment Obligation, which right and obligation are transferred and conveyed to CEM hereunder.

“**Assignment Early Termination Date**” has the meaning specified in Section Section 5(b).

“**Assignment Period**” has the meaning specified in Section Section 5(a).

“Assignment Period End Date” means [____].

“Assignment Period Start Date” means [____].

“Business Day” has the meaning specified in the Prepaid Agreement.

“CEM” has the meaning specified in the first paragraph of this Agreement.

“Claims” means all claims or actions, threatened or filed, and the resulting losses, imbalance charges, damages, expenses, attorneys’ fees, experts’ fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Delivered Gas Payment Obligation” has the meaning specified in Section Section 3(a).

“Downstream Supply Contract” means that certain Base Contract for Sale and Purchase of Natural Gas dated [____] and the Transaction Confirmation thereto dated [____].

“Gas” means any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

“Gas Contracts” means the Gas Management Agreement, the Prepaid Agreement, the Gas Supply Contract and the Downstream Supply Contract.

“Gas Management Agreement” means that certain Gas Purchase, Sale and Service Agreement dated as of [____] by and between CEM and Prepay LLC.

“Gas Supply Contract” means that certain Commodity Supply Agreement dated as of [____] by and between Municipal Utility and Issuer.

“Government Agency” means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

“Industrial Customer” has the meaning specified in the first paragraph of this Agreement.

“Issuer” means [____].

“Municipal Utility” means [____].

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

“Prepaid Agreement” means that certain Prepaid Natural Gas Sales Agreement dated as of [____] by and between Prepay LLC and Issuer.

“Prepay LLC” means Benedict Place [____] LLC, a Delaware limited liability company.

“**Receivables**” has the meaning given to such term in Section 3(d).

“**Retained Rights and Obligations**” has the meaning specified in Section Section 3.

“**Upstream Supplier**” has the meaning specified in the first paragraph of this Agreement.

“**Upstream Supply Contract**” has the meaning specified in the recitals of this Agreement.

Section 2. Transfer and Undertakings.

- (a) Industrial Customer hereby assigns, transfers and conveys to CEM all right, title and interest in and to the Assigned Rights and Obligations during the Assignment Period.
- (b) Upstream Supplier hereby consents and agrees to Industrial Customer’s assignment, transfer and conveyance of all right, title and interest in and to the Assigned Rights and Obligations to CEM and the exercise by CEM of the Assigned Rights and Obligations during the Assignment Period.
- (c) CEM hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

Section 3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of Industrial Customer’s and Upstream Supplier’s rights and obligations under the Upstream Supply Contract, and that all rights and obligations arising under the Upstream Supply Contract that are not expressly included in the Assigned Rights and Obligations shall be “**Retained Rights and Obligations**”, and (ii) the Retained Rights and Obligations include all rights and obligations of Industrial Customer and Upstream Supplier arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Gas Payment Obligation.** CEM’s sole obligation to Upstream Supplier will be to pay the Assigned Contract Price to Upstream Supplier for the Assigned Gas delivered on each Day of the Assignment Period on each applicable payment date under the Upstream Supply Contract for a quantity up to, but not exceeding, the Assigned Daily Quantity (the “**Delivered Gas Payment Obligation**”). Industrial Customer shall remain obligated to pay Upstream Supplier for all quantities and at the price specified in the Upstream Supply Contract, but Upstream Supplier shall credit the Delivered Gas Payment Obligation against the amounts otherwise due from Industrial Customer under the Upstream Supply Contract for each Day of the Assignment Period, and Industrial Customer shall remain solely responsible for any payment obligations under the Upstream Supply Contract other than the Delivered Gas Payment Obligation during the Assignment Period.

(b) **Retained Rights and Obligations.** Any Claims (other than the Delivered Gas Payment Obligation or a failure to perform the same) arising or existing in connection with or

related to the Upstream Supply Contract, whether related to performance by the Upstream Supplier, Industrial Customer or CEM, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Gas Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between the Upstream Supplier and Industrial Customer in accordance with the Upstream Supply Contract. For the avoidance of doubt, the Parties acknowledge and agree that (i) Industrial Customer shall remain solely responsible for any amounts due under the Upstream Supply Contract as a result of Industrial Customer scheduling or otherwise taking less than the Assigned Daily Quantity for any reason on any Day during the Assignment Period, including as a result of any reduction in daily deliveries under the Upstream Contract as a result of the Industrial Customer exercising any rights it may have under the Downstream Supply Contract to reduce its daily deliveries upon notice and (ii) any invoice adjustments or reconciliations occurring after the initial settlement of amounts due under a monthly invoice shall be resolved solely between Upstream Supplier and Industrial Customer pursuant to the terms of the Upstream Supply Contract.

(c) **Scheduling.** All scheduling of Gas and other communications related to the Upstream Supply Contract shall take place between Industrial Customer and Upstream Supplier pursuant to the terms of the Upstream Supply Contract; provided that (i) Industrial Customer and Upstream Supplier will provide copies of all billing statements delivered during the Assignment Period to CEM and Issuer contemporaneously upon delivery of such statements to the other party to the Upstream Supply Contract; (ii) title to Assigned Gas will pass to CEM upon delivery by Upstream Supplier at the Assigned Delivery Point in accordance with the Upstream Supply Contract; (iii) immediately thereafter, title to such Assigned Gas will pass to Prepay LLC, Issuer, Municipal Utility and then to Industrial Customer upon delivery by CEM at the same point where title is passed to CEM pursuant to clause (ii) above; and (iv) Industrial Customer will be deemed to be acting as CEM's agent with regard to scheduling Assigned Gas.

(d) **Setoff of Receivables.** Pursuant to the Prepaid Agreement, Prepay LLC may purchase the rights to payment of the net amounts owed by Industrial Customer under the Downstream Supply Contract ("**Receivables**") in the case of non-payment by Industrial Customer. To the extent any such Receivables relate to Assigned Gas purchased by CEM pursuant to the Assigned Rights and Obligations, Prepay LLC may sell such Receivables to CEM and CEM may transfer such Receivables to Upstream Supplier and apply the face amount of such Receivables as a reduction to any Delivered Gas Payment Obligations; provided, however, that at no time shall Upstream Supplier be required to pay CEM for any amounts by which such Receivables exceed any Delivered Gas Payment Obligations then due and owed to Upstream Supplier. To effect such transfer, CEM shall deliver to Upstream Supplier a notice of intent to transfer Receivables not later than the payment due date for the Delivered Gas Payment Obligations and shall deliver to Upstream Supplier a bill of sale signed by CEM not later than five Business Days thereafter.

(e) **Amendments.** Neither Industrial Customer nor Upstream Supplier will consent to any amendment, waiver, supplement or other modification to the Upstream Supply Contract that would in any way affect the Assigned Rights and Obligations or CEM's rights or obligations under this Assignment Agreement without CEM's prior written consent, which consent may be withheld in CEM's sole discretion. Industrial Customer and Upstream Supplier will provide written notice (including copies thereof) of any other proposed or actual amendment,

waiver, supplement, modification, or other changes to the Upstream Supply Contract to CEM prior to the effectiveness thereof.

Section 4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a “forward contract” and that the Parties shall constitute “forward contract merchants” within the meaning of the United States Bankruptcy Code.

Section 5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period.** The “Assignment Period” shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination.** An “Assignment Early Termination Date” will occur under the following circumstances and as of the dates specified below:

- i. the assignment of the Downstream Supply Contract or the Gas Supply Contract by any party thereto, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;
- ii. the suspension, expiration, or termination of performance under the Upstream Supply Contract for any reason other than the occurrence of Force Majeure under and as defined in the Upstream Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of Upstream Supplier’s last performance under the Upstream Supply Contract following such suspension, expiration, or termination;
- iii. termination or suspension of deliveries for any reason other than force majeure under any of the Gas Contracts, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;
- iv. the election of CEM in its sole discretion to declare an Assignment Early Termination Date as a result of (A) any event or circumstance that would give either Industrial Customer or Upstream Supplier the right to terminate or suspend performance under the Upstream Supply Contract (regardless of whether Industrial Customer or Upstream Supplier exercises such right) or (B) the execution of an amendment, waiver, supplement, modification or other change to the Upstream Supply Contract that adversely affects the Assigned Rights and Obligations or CEM’s rights or obligations under this Agreement (provided that CEM shall not have a right to terminate under this clause (B) to the extent that CEM (I) receives prior notice of such change and (II) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by CEM to Industrial Customer and Upstream Supplier;

- v. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if CEM fails to pay when due any amounts owed to Upstream Supplier in respect of any Delivered Gas Payment Obligation and such failure continues for five Business Days following receipt by CEM of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by Upstream Supplier to CEM and Industrial Customer; or
- vi. the election of Upstream Supplier in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against CEM seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) CEM commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or CEM consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of CEM or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur immediately on the date of Upstream Supplier's delivery of notice of its election to CEM and Industrial Customer.

(c) **Reversion of Assigned Rights and Obligations.** The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from CEM to Industrial Customer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from CEM to Industrial Customer, provided that (i) CEM shall remain responsible for the Delivered Gas Payment Obligation with respect to any Gas delivered to CEM prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

Section 6. Representations and Warranties.

(a) **Copy of Upstream Supply Contract.** Upstream Supplier and Industrial Customer represent and warrant to CEM that a true, complete, and correct copy of the Upstream Supply Contract is attached hereto as Appendix 3.

(b) **No Default.** Upstream Supplier and Industrial Customer represent and warrant to CEM that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the Upstream Supply Contract or suspend performance thereunder.

(c) **Gas Contracts.** CEM represents that, to its knowledge, each of the Gas Contracts are in full force and effect as of the date hereof.

(d) **Other.** Each of Industrial Customer and Upstream Supplier represents and warrants to each other and to CEM that:

- (1) it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and
- (2) all obligations of Industrial Customer and Upstream Supplier under the Upstream Supply Contract required to be performed on or before the Assignment Period Start Date have been fulfilled.

(e) **Representations.** Each Party represents to each of the other Parties:

- (1) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.
- (2) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.
- (3) **No Violation or Conflict.** Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

- (4) **Consents.** All consents, approvals, orders or authorizations of; registrations, declarations, filings or giving of notice to; obtaining of any licenses or permits from; or taking of any other action with respect to, any Person or Government Agency, that are required to have been obtained or made by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (5) **Obligations Binding.** Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).
- (6) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed appropriate. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement, it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.
- (7) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.
- (8) **Status of Parties.** None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

Section 7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by email), each of which will be deemed an original.

Section 8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

Section 9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing and executed by each of the Parties.

Section 10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

Section 11. Miscellaneous.

(a) **Governing Law.** THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAWS.

(b) **Jurisdiction.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING HERETO SHALL BE BROUGHT EXCLUSIVELY IN (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN OR (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY IRREVOCABLY ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; WAIVES ANY DEFENSE OF *FORUM NON CONVENIENS*; AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH

SECTION 10, AGREES THAT SERVICE AS PROVIDED ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT.

(c) **Waiver of Right to Trial by Jury.** EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF EITHER OF THE OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF SUCH A SUIT ACTION OR PROCEEDING, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND EACH OF THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION **Error! Reference source not found..**

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

CITADEL ENERGY MARKETING LLC

By: _____
Name: _____
Title: _____

[INDUSTRIAL CUSTOMER]

By: _____
Name: _____
Title: _____

[UPSTREAM SUPPLIER]

By: _____
Name: _____
Title: _____

Appendix 1

Assigned Rights and Obligations

Assigned Daily Quantity: [] MMBtu/day

Assigned Contract Price: []

Assigned Delivery Point: []

DRAFT

Appendix 2

Notice Information

Upstream Supplier:

As set forth in the Upstream Supply Contract

Industrial Customer:

[]
[]
[]

CEM:

Citadel Energy Marketing LLC
c/o Citadel Americas LLC
Southeast Financial Center
200 S. Biscayne Blvd., Suite 3300
Miami, FL 33131
CitadelAgreementNotice@citadel.com

Appendix 3

Copy of Upstream Supply Contract

[To be attached.]

DRAFT

City Commission Memorandum
26-36

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Amendment to Natural Gas Transportation Agreement With Pratt Paper (KY), LLC

The accompanying municipal order authorizes the acceptance of a First Amendment to Natural Gas Transportation Agreement with Pratt Paper (KY), LLC.

Effective August 1, 2023, the City entered into a Natural Gas Transportation Agreement with Pratt Paper (KY), LLC. The original Agreement now requires an amendment to increase the quantity of natural gas delivered to Pratt, as outlined in Gas Department Memorandum No. 26-3 and the First Amendment to Natural Gas Transportation Agreement, Article II – Quantities, Scheduling and Balancing, Section 2.1 (Quantities) of the Agreement, with the effective date to be January 2026.

Your approval of the attached municipal order is respectfully requested.

c: Tim Clayton

Gas Department Memorandum
26-3

January 22, 2026

TO: Dylan H. Ward, City Manager

FROM: Tim Clayton, Gas System Director

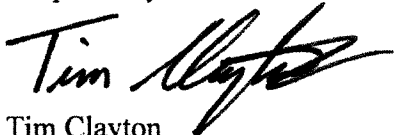
SUBJECT: First Amendment to Natural Gas Transportation Agreement

Henderson Municipal Gas and Pratt Paper, KY (LLC) entered into a Natural Gas Transportation Agreement effective August 1, 2023, for HMG to deliver natural gas from our city gate purchase point #1 to Pratt Paper's facility on KY HWY 425.

HMG and Pratt Paper agree on the need to amend the Maximum Daily Quantity of natural gas to be delivered to the City Gate. The Maximum Daily Quantity (MDQ) must be increased to allow the Gas Suppliers to deliver enough natural gas to meet Pratt Paper (KY), LLC's daily usage quantities on Maximum Usage days. The previous MDQ as signed on the original contract was 7,800 DTH/MMBTU and that number is being changed to 10,000 DTH/MMBTU on the first amendment of the contract.

I am recommending the approval of the First Amendment to Natural Gas Transportation Agreement between Henderson Municipal Gas and Pratt Paper, KY (LLC).

Respectfully



Tim Clayton
Gas System Director

cc: Donna Madden
William "Buzzy" Newman Jr.
Dawn Kelsey

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER ACCEPTING FIRST AMENDMENT TO
NATURAL GAS TRANSPORTATION AGREEMENT
BETWEEN THE CITY OF HENDERSON, KENTUCKY AND
PRATT PAPER (KY), LLC AND AUTHORIZING MAYOR TO
EXECUTE FIRST AMENDMENT TO THE AGREEMENT

WHEREAS, the City of Henderson ("City") and Pratt Paper (KY) LLC ("Pratt"),
entered into a Natural Gas Transportation Agreement effective August 1, 2023;

WHEREAS, the City and Pratt now desire to amend the terms of the Agreement
as more particularly set forth in the First Amendment to the Natural Gas Transportation
Agreement (attached hereto and marked Exhibit "A") to increase the quantity; and

WHEREAS, the City Manager recommends that said First Amendment to the
Agreement be approved.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky
that the recommendation of the City Manager is accepted, and the attached First Amendment to
Natural Gas Transportation Agreement is accepted, and the Tim Clayton, Henderson Municipal
Gas System Director is hereby given authority to execute said first amendment to the agreement.

On motion of Commissioner _____, seconded by Commissioner _____,
that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

**INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE
READING**, this the _____ day of January 2026.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

APPROVED AS TO FORM AND
LEGALITY THIS 17TH DAY OF
JANUARY 2026

By: _____

Daven S. Kelsey
City Attorney

MUNICIPAL ORDER NO.

**FIRST AMENDMENT TO
NATURAL GAS TRANSPORTATION AGREEMENT**

This First Amendment to Natural Gas Transportation Agreement (“Amendment”) is made and entered into by and between the City of Henderson (“Henderson”) and Pratt Paper (KY), LLC (“Shipper”).

WHEREAS, Henderson and Shipper entered into a Natural Gas Transportation Agreement effective August 1, 2023 (“Agreement”); and

WHEREAS, the parties desire to amend the Maximum Daily Quantity of natural gas to be delivered to the City Gate. The Maximum Daily Quantity must be increased to allow the Gas Suppliers to deliver enough natural gas to meet Pratt Paper (KY), LLC’s daily usage quantities on Maximum Usage days.

Article II – Quantities, Scheduling and Balancing, Section 2.1 (Quantities) of the Agreement.

1. Amendment to **Section 2.1 – Quantities**

Section 2.1 (Quantities) of the Agreement is hereby amended and restated in its entirety as follows:

*“2.1 Quantities. Subject to the provisions of this Agreement, Henderson agrees to transport Gas that Shipper has arranged with its Gas Suppliers to be delivered to the City Gate and also scheduled to be delivered to Shipper’s Facility each Gas Day, up to a maximum of **10,000 DTH/MMBTU** (“Maximum Daily Quantity”). Henderson shall be under no obligation to sell Shipper a backup supply of Gas.”*

2. No Other Amendments

Except as expressly amended herein, all other terms and conditions of the Agreement shall remain unchanged, in full force and effect, and are hereby ratified and confirmed.

3. Controlling Effect

In the event of any conflict between this Amendment and the Agreement, this Amendment shall control.

This Amendment shall be effective as of January ____, 2026.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first written above to be executed in duplicate originals..

PRATT PAPER (KY), LLC

By: _____
Stephen Ward

Title: _____

Date: _____

CITY OF HENDERSON

By: _____
Tim Clayton, Henderson Municipal Gas Director

Approved as to form and legality this the ____ day of January 2026.

City Attorney

NATURAL GAS TRANSPORTATION AGREEMENT

BETWEEN THE

CITY OF HENDERSON, KENTUCKY

AND

PRATT PAPER (KY), LLC

Effective August 1, 2023

NATURAL GAS TRANSPORTATION AGREEMENT

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NATURAL GAS TRANSPORTATION AGREEMENT

This Natural Gas Transportation Agreement (the "Agreement") is made and entered into effective as of the 1st day of August, 2023, by and between the City of Henderson, Kentucky, a Kentucky municipal corporation ("Henderson"), and Pratt Paper (KY), LLC, a limited liability company organized and existing under the laws of the State of Delaware ("Shipper"). Henderson and Shipper are sometimes collectively referred to in this Agreement as the "parties" or individually as a "party".

WITNESSETH:

WHEREAS, Henderson owns and operates a natural gas distribution system for the transportation and sale of natural gas in Henderson, Kentucky;

WHEREAS, Shipper owns and operates a manufacturing plant ("Facility") within Henderson's service territory and requires natural gas for its operations;

WHEREAS, Henderson provides natural gas transportation service to eligible customers pursuant to its ordinances;

WHEREAS, Shipper has requested that Henderson redeliver to Shipper natural gas that Shipper purchases from third parties ("Gas Suppliers") at Henderson's City Gate;

WHEREAS, Henderson is willing and able to provide the requested service to Shipper in accordance with the terms of this Agreement and pertinent ordinances; and

WHEREAS, Henderson and Shipper wish to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I DEFINITIONS

Unless another definition is expressly stated in this Agreement, the following terms and abbreviations when used in this Agreement are intended to and shall mean as follows:

1.1. "British thermal unit" or "Btu" means the quantity of heat necessary to raise the temperature of one pound of pure water one degree Fahrenheit from fifty-nine degrees Fahrenheit (59° F) to sixty degrees Fahrenheit (60° F) at standard atmospheric and gravitational conditions.

1.2. "Business Day" means (A) with respect to payments and general notices required to be given under this Agreement, any day other than (1) a Saturday or Sunday, (ii) a Federal Reserve Bank holiday, or (iii) any day on which commercial banks located in either New York, New York, or the Commonwealth of Kentucky are required or authorized by law or other governmental action to close, and (B) with respect to Gas deliveries and notices with respect thereto, any day.

1.3. "Central Prevailing Time" or "CPT" means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

1.4. "City Gate" means the point(s) of interconnection between Henderson's and TGT's facilities.

1.5. "Cubic foot of gas" means the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

1.6. "Daily Scheduling Variance" shall have the meaning in Section 2.3.

1.7. "FERC" means the Federal Energy Regulatory Commission and any successor thereto.

1.8. "FERC Gas Tariff" means the interstate pipeline tariff filed by a TGT pursuant to FERC regulations and approved by FERC, as amended from time to time.

1.9. "Force Majeure" shall have the meaning in Section 7.2.

1.10. "Gas" or "natural gas" means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiables, or of hydrocarbons and non-combustible gases, consisting predominantly of methane and conforming to the quality specifications contained in TGT's FERC Gas Tariff.

1.11. "Gas Day" means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day shall be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, TGT, or the FERC with general applicability, changes the definition of Gas Day, such change shall apply to the definition of Gas Day in this Agreement.

1.12. "Gas Suppliers" means that vendor or vendors that Shipper contracts with to deliver Gas for Shipper at the City Gate.

1.13. "Maximum Daily Quantity" or "MDQ" means the maximum quantity of gas that Shipper may schedule and that Henderson shall transport to Shipper's Facility each Day under this Agreement.

1.14. "Mcf" means one thousand cubic feet of gas, a measurement of volume.

1.15. "MMBtu" means one million (1,000,000) Btu, a measurement of quantity.

1.16. "Month" means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term "Monthly" shall be construed accordingly.

1.17. "Point of Delivery" has the meaning stated in Article III.

1.18. "Point of Receipt" has the meaning stated in Article III.

1.19. "Psig" means pounds per square inch gauge.

1.20. "TGT" means Texas Gas Transmission, LLC, an interstate gas pipeline company, interconnected to Henderson's gas distribution system, or its successor.

1.21. "Weekly Average Price" means either (A) when Shipper has delivered to the City Gate less Gas than it has received, the Highest Average Weekly Price, or (B) when Shipper has delivered to the City Gate more Gas than it has received, the Lowest Average Weekly Price, all such prices as posted by TGT on its website for the applicable Month.

ARTICLE II
QUANTITIES, SCHEDULING AND BALANCING

2.1. Quantities. Subject to the provisions of this Agreement, Henderson agrees to transport Gas that Shipper has arranged with its Gas Suppliers to be delivered to the City Gate and also scheduled to be delivered to Shipper's Facility each Gas Day, up to a maximum of 7800 DTH/MMBTU ("Maximum Daily Quantity"). Henderson shall be under no obligation to sell Shipper a backup supply of Gas.

2.2. Scheduling. Each Month, five (5) Gas Days prior to the first Gas Day of the Month of delivery, Shipper shall schedule daily transportation quantities for delivery by providing to Henderson a spreadsheet showing quantities to be transported each Gas Day for the subsequent Month. During the Month, Shipper may change its scheduled daily quantities by giving notice to Henderson no later than 9:00 am CST on the Business Day that precedes the Gas Day prior to the Gas Day of delivery. All such communications shall be delivered by electronic mail consistent with Section 11.1.

2.3. Balancing Receipts and Deliveries. Shipper agrees to use its best efforts to schedule quantities to avoid each Gas Day any imbalance between quantities consumed by Shipper and quantities delivered by its Gas Suppliers at the City Gate. Shipper understands that Henderson must provide to TGT a pre-agreed allocation of gas quantities delivered to its City Gate under Section 6.13 of the General Terms and Conditions of TGT's tariff. Henderson agrees to rank Shipper's deliveries above Henderson's No-Notice Service contract with TGT (NNS) such that any imbalance caused by Shipper will have an impact on Henderson's utilization of its No-Notice Service and will have a cost impact.

(a) Daily Balancing. The Daily Scheduling Variance shall mean the difference between Shipper's scheduled quantities and actual quantities taken by the Shipper each Gas Day at the Point of Delivery. When the Daily Scheduling Variance is within a tolerance of plus or minus 5% of the quantities scheduled each Gas Day, there shall be no daily balancing penalty. On any day when the Daily Scheduling Variance exceeds plus or minus 5% of the quantities scheduled that day, Henderson may assess Shipper a charge of \$0.25 per MMBtu on all quantities in excess of that tolerance.

(b) Monthly Balancing. All imbalances accrued by Shipper under this Agreement shall be resolved (or cashed out) on a monthly basis by comparing actual receipts to actual deliveries. Payments for imbalances shall be made pursuant to the tables below. Note: the imbalance percentages below will be used to calculate payments due as follows: Customer with an imbalance percentage of 12% will cash out at the 2% price for 2% of the imbalance; cash-out at the 2% to 5% price for 3% of the imbalance; cash-out at the 5% to 10% price for 5% of the imbalance; and cash-out at the 10% to 15% price for the remaining 2% of the imbalance.

- (i) If Shipper has accrued a monthly imbalance such that the total quantities of gas received by Henderson for Shipper's account during the Month are less than the total quantities of gas delivered by Henderson during the Month, then Shipper shall pay Henderson for each MMBtu according to the following table:

Net Imbalance Percentage	Percentage of Applicable Index Price
<2%	100% x Weekly Average Price
>5% to 10%	110% x Weekly Average Price
>10% to 15%	120% x Weekly Average Price
>15% to 20%	130% x Weekly Average Price
>20% to 25%	140% x Weekly Average Price
> 25%	150% x Weekly Average Price

- (ii) If Shipper has accrued a monthly imbalance such that the total quantities of gas received by Henderson for Shipper's account during the month are greater than the total quantities

of gas delivered by Henderson during the Month, then Henderson shall pay Shipper for each MMBtu according to the following table:

Net Imbalance Percentage	Percentage of Applicable Index Price
<2%	100% x Weekly Average Price
>5% to 10%	90% x Weekly Average Price
>10% to 15%	80% x Weekly Average Price
>15% to 20%	70% x Weekly Average Price
>20% to 25%	60% x Weekly Average Price
> 25%	50% x Weekly Average Price

(c) Flow Through of Upstream Pipeline Charges. To the extent that Shipper exceeds the Daily Scheduling Variance and that is the sole or proportionate cause of any costs, charges, or penalties imposed on Henderson by TGT, including but not limited to an operational alert penalty, overrun charge or penalty, hourly overrun charge, cash out, or increased costs under its No-Notice Service, then Shipper shall reimburse Henderson for such monies posted by Henderson on the Shipper's invoice, provided that Henderson shall support any such invoice with appropriate documentation.

ARTICLE III POINTS OF RECEIPT AND DELIVERY

3.1. Point of Receipt. All Gas delivered under this Agreement shall be received by Henderson at the City Gate.

3.2. Point of Delivery. The point of delivery for the gas redelivered to Shipper by Henderson under this Agreement shall be at the outlet side of Henderson's meter and regulator station located at Shipper's Facility.

ARTICLE IV RATES and CHARGES

4.1. All gas transported by Henderson and received by Shipper under this Agreement during any Month shall be billed and paid for in accordance with the applicable rates and charges set forth in Henderson's then-effective ordinance stating such applicable rates and charges.

ARTICLE V TERM

5.1. Primary Term. This Agreement shall become effective on August 1, 2023, upon execution and shall continue in full force and effect for a primary term of five (5) years. This Agreement shall automatically renew for successive one (1) year terms thereafter until terminated by either party in accordance with the provisions of Section 5.2 of this Agreement.

5.2. Notice of Termination. Either party may terminate this Agreement at the end of the primary term or at the end of any extended term thereafter by giving the other party notice in writing at least ninety (90) days prior to the proposed termination date. In the absence of such timely notification, this Agreement shall remain in full force and effect. Shipper shall be responsible for notifying its agents, transporters, and Gas Suppliers that it has used to procure and to transport gas to Henderson of any termination date and shall take all necessary actions to ensure that Shipper's deliveries by TGT to Henderson's City Gate end by the termination date.

ARTICLE VI
OPERATING CONDITIONS

6.1. Delivery Pressure. Gas redelivered by Henderson to the Point of Delivery shall be at a controlled pressure of approximately 60 Psig.

6.2. Rate of Flow. Henderson shall not be obligated to deliver Gas under this Agreement at a rate in excess of 500 Mcf per hour.

6.3. Continuity of Service. Shipper shall notify Henderson promptly of any unexpected interruptions or irregularities in gas service or of any known defect in Henderson's or Shipper's gas facilities. Shipper shall provide Henderson with prompt notice of any noticeable Gas leakage. In the event of a Gas leak, Shipper and Henderson shall work together to ensure the continuation of gas flow to Shipper in order to minimize service interruption. Shipper shall protect all piping, measurement and regulation equipment, and any other property owned by Henderson located on Shipper's premises from exterior damage, theft, and any other harm. Shipper shall fully reimburse Henderson for any expenses incurred because of damage to such equipment, including but not limited to any repair expenses, except to the extent such damage is caused by Henderson.

6.4. Quality of Gas. The quality of gas delivered under this Agreement shall be gas of the quality and characteristics as received by Henderson from TGT as set forth in TGT's FERC Gas Tariff with such artificial natural gas odorant added by Henderson as required under regulations of the U. S. Department of Transportation, Office of Pipeline Safety.

6.5. Curtailment. It is agreed and understood by the parties that in the event of extreme cold weather or any emergency that is not a Force Majeure event, Henderson may curtail transportation under this Agreement. Henderson shall give Shipper a notice of any curtailment of services as soon as practicable and use its best efforts to notify at least twenty-four (24) hours prior. Henderson shall use due diligence in maintaining service to Shipper and in eliminating any condition causing any service interruption. If Henderson should be unable to meet all of its delivery commitments, Henderson agrees that it will not unduly discriminate against Shipper in favor of any other transportation or industrial customer in making deliveries.

6.6. Construction and Maintenance. It is agreed and understood by the parties that during periods of construction or maintenance, Henderson may require Shipper to reduce, wholly or in part, Shipper's consumption of gas. Henderson will endeavor to schedule any such construction or maintenance in coordination with and with respect to Shipper's plan of operations so as to be as least disruptive as practicable. Henderson agrees to provide Shipper with reasonable notice of any planned construction or maintenance that would interfere with Henderson's delivery of gas to Shipper.

6.7. Terms and Conditions. Service hereunder shall be rendered pursuant to all applicable terms and conditions of Chapter 23 of the Henderson Code of Ordinances.

ARTICLE VII
FORCE MAJEURE

7.1. Effect of Force Majeure Event. Except with regard to a party's obligation to make payments under this Agreement, neither party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure. Notwithstanding anything to the contrary in this Agreement, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

7.2. Definition of Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension and shall include, but not be limited to, the following: (A) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms

or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the affected area, floods, washouts, explosions, or breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (B) weather related events affecting an entire geographic region, such as failure of wells or lines of pipe; (C) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; and (D) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a government agency having jurisdiction. The parties shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

7.3. Notice of Force Majeure Event. The party whose performance is prevented by Force Majeure must provide notice to the other party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event, provided that Shipper also shall have given timely notice to its Gas Suppliers to cease deliveries at HU's City Gate.

ARTICLE VIII MEASUREMENT AND BILLING

8.1. Measurement. The volume of gas delivered or redelivered under this Agreement shall be measured by metering devices Point of Delivery. All gas delivered shall be measured in 1,000 cubic foot units (Mcf) at standard conditions of fourteen and seventy-three one hundredth (14.73) pounds per square inch absolute base pressure, sixty (60) degrees Fahrenheit base temperature, and six tenths (0.6) specific gravity.

8.2. Meter Tests. Henderson, at its expense and with reasonable notice to Shipper, shall at periodic intervals conduct accuracy tests of the metering equipment used in the measurement of gas delivered to Shipper. Metering equipment found to be inaccurate at normal operating conditions will be restored to an accurate operating state or replaced with other accurate metering equipment. If any such test indicates the meter to be in excess of two percent (2%) fast or slow, appropriate adjustments shall be made in Shipper's bill for a period not exceeding six (6) months prior to the date of such test. Should an operating condition exist whereby no consumption is registered, an estimated bill will be calculated using prior metered consumption over a similar period, as previously billed by Henderson to Shipper, prorated for the period of non-registered consumption. If weather-sensitive requirements represent all or any part of non-registered consumption, Henderson may utilize the number of heating degree-days experienced over like periods to adjust or normalize the estimated requirements used in determining the estimated bill.

8.3. Monthly Invoice. Henderson or its designee shall provide a Monthly invoice to Shipper of the amount due under this Agreement. Such billing statement shall be provided to Shipper by hand delivery, first-class mail, express courier, or electronic transmission to the address set forth for Shipper in Article XI. Shipper shall remit such amounts due to Henderson by wire transfer in immediately available funds no later than fifteen (15) Days after receipt of the invoice by Buyer or if such day is not a Business Day, the immediately preceding Business Day. In the event payment of the current monthly bill is not received by Henderson on or before the due date, Henderson may discontinue delivery of gas hereunder upon six (6) days' notice to Shipper of its intention to do so, unless Henderson receives payment before the end of such six (6) day notice period.

8.4. Late Payment. All undisputed amounts unpaid by the due date shall be subject to a five percent (5%) late payment penalty applicable for each pay period in which the amount outstanding has not been paid.

ARTICLE IX
TAXES

9.1. Taxes. Shipper shall pay or cause to be paid all taxes, levies, penalties, licenses or charges imposed by any governmental authority (hereinafter "Taxes") on or with respect to the gas transported under this Agreement. If Henderson is required to remit or pay Taxes that are Shipper's responsibility as set forth in this Article XI, Shipper shall promptly reimburse Henderson for such Taxes.

ARTICLE X
FINANCIAL RESPONSIBILITY

10.1. Security. When reasonable grounds for insecurity of payment for the services being provided under this Agreement arise, Henderson may demand adequate assurance of performance from Shipper. Adequate assurance shall mean sufficient security in the form and for the term reasonably specified by Henderson, including but not limited to a standby irrevocable letter of credit, a prepayment, or a performance bond or guaranty by a creditworthy entity. In the event Shipper shall (A) make an assignment or any general arrangement for the benefit of creditors, (B) default in a payment obligation to the other party, (C) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it, (D) otherwise become bankrupt or insolvent, however evidenced, or (E) be unable to pay its debts as they fall due, then Henderson shall have the right to terminate this Agreement without prior notice in addition to any and all other remedies available under this Agreement. Each party reserves to itself all rights, set-offs, counterclaims, and other defenses to which it is or may be entitled arising from this Agreement. Notwithstanding the foregoing, if Shipper shall be unable to meet its obligations hereunder, Shipper's bond trustee shall have the right to assume such obligations on behalf of the bondholders of the City of Henderson, Kentucky, Exempt Facilities Revenue Bonds (Pratt Paper (KY), LLC Project), Series 2022A or the City of Henderson, Kentucky, Exempt Facilities Revenue Bonds (Pratt Paper (KY), LLC Project), Series 2022B.

ARTICLE XI
NOTICES

11.1. Notices. Except as otherwise provided in this Agreement, any notice, request, demand, statement, or invoice provided for in this Agreement, or any notice which either party may desire to give to the other party, shall be in writing and sent by first-class or certified mail, fax, electronic mail, or recognized express courier to the address of the party intended to receive the same, as follows:

If to Shipper: Notices, invoices, correspondence and other communications:

Pratt Paper (KY), LLC
6305 Highway 425
Henderson, KY 424720

Attn.: Lisa Bode

Phone: (318) 294-4083
E-mail: lbode@prattindustries.com

If to Shipper: Notices other than general business notices (i.e., notices of default):

Pratt Paper (KY), LLC
4004 Summit Boulevard NE
Atlanta, GA 30319
Attn: Stephen Ward, CFO

With a copy to:

Pratt Paper (KY), LLC
4004 Summit Boulevard NE
Atlanta, GA 30319
Attn: Douglas R. Balyeat, VP & GC

If to Henderson: Notices, invoices, correspondence and other communications:

Henderson Municipal Gas System
222 First Street
P.O. Box 716
Henderson, Kentucky 42420-0716
Attn.: Tim R. Clayton, Gas Systems Director

Phone: (270) 831-4918
Fax: (270) 826-1974
E-mail: trclayton@hendersonky.gov

Nominations and Scheduling

Henderson Municipal Gas System
E-mail: trclayton@hendersonky.gov

Public Energy Authority of Kentucky
Email: jlconder@peakgas.net

Either party may designate another contact person, address, or addresses by written notice to the other party.

ARTICLE XII
TITLE, WARRANTY, LIABILITY AND INDEMNIFICATION

12.1. Title. Title to the gas transported under this Agreement shall at all times remain with Shipper. Shipper warrants that it shall have good title to all gas transported under this Agreement.

12.2. Possession of Gas. Shipper shall be deemed to have possession of the gas until it is delivered to Henderson at the Point of Receipt and after it is redelivered to Shipper at the Point of Delivery. Henderson shall be deemed to have possession of the gas after it is delivered to Henderson at the Point of Receipt until it is redelivered to Shipper at the Point of Delivery.

12.3. Liability. In no event shall this Agreement, or any failure to perform hereunder, subject either party to liability for consequential damages or damages for loss of anticipated profits.

12.4. Indemnification. Shipper shall defend, indemnify and hold harmless Henderson from and against and shall pay all losses, damages, liabilities, claims and actions, and all related expenses (including, without limitation, reasonable attorneys' fees and expenses and the actual costs of litigation) by reason of injury or death to any person, damage to any property or any other occurrence arising or resulting from any action, inaction or occurrence in connection with Shipper's operation to the extent caused by the negligence or any malfeasance or nonfeasance of Shipper, its agents, servants or employees. Henderson, to the extent permitted by Kentucky law, shall defend, indemnify and hold harmless Shipper from and against and shall pay all losses, damages, liabilities, claims and actions, and all related expenses (including, without limitation, reasonable attorneys' fees and expenses and the actual costs of litigation) by reason of injury or

death to any person, damage to any property or any other occurrence arising or resulting from any action, inaction or occurrence in connection with Henderson's gas utility system to the extent caused by the negligence or any malfeasance or nonfeasance of Henderson, its agents, servants or employees. In no event shall this Agreement, or any failure to perform hereunder, subject either party to liability for consequential damages or damages for loss of anticipated profits.

ARTICLE XIII MISCELLANEOUS

13.1. Successors and Assigns. This Agreement shall extend to and be binding upon the parties, their heirs, administrators and assigns; provided, however, except as set forth in Section 10.1 hereof, Shipper may not assign any of its rights under this Agreement without the advance written consent of Henderson, which consent may not be unreasonably withheld. Notwithstanding the foregoing, it is understood and agreed that the gas to be delivered hereunder will also be used by Shipper's affiliate, Pratt (Henderson Corrugating), LLC.

13.2. Controlling Law. All respective rights and obligations of the parties shall be governed by the laws of the Commonwealth of Kentucky. Venue of any action, legal or equitable, having as its basis the enforcement or interpretation of this Agreement, shall be the Henderson Circuit Court (Kentucky) or the United States District Court for the Western District of Kentucky (Owensboro).

13.3. Entirety of Agreement. The terms, covenants and conditions herein contained constitute the entire agreement between the parties and shall supersede all previous communications, representations, or agreements, either oral or written, between parties hereto with respect to the subject matter hereof.

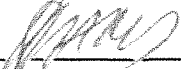
13.4. Severability. If any article, section, term, or provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said article, section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either party, the parties agree to negotiate promptly an equitable adjustment to the provisions of this Agreement in good faith so as to place the parties in as close to the same position as is possible under the circumstances as they were prior to such declaration by the court or other action or event.

13.5. Modifications and Amendments. Any change to the provisions of this Agreement occurring after its execution shall be made only by a written instrument executed by the authorized representatives of the parties.

13.6. Waiver. The failure of either party to exercise or enforce any right or privilege granted under this Agreement shall not impair nor be deemed a waiver of such party's rights or privileges at any subsequent time.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate originals effective as of the date first herein above written.

PRATT PAPER (KY), LLC

By: 



Print Name: Stephen Ward

Title: Chief Financial Officer

CITY OF HENDERSON, KENTUCKY

By: 

Print Name: Tim Clayton

Title: Gas System Director

Approved as to form and legality
this ____ day of _____, 2023.

City Attorney

City Commission Memorandum
26-31

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Fire Station #1 Change Order Proposal Request No. 1

The accompanying municipal order approves Change Order Proposal Request No. 1 to the construction agreement with ARC Construction for the Fire Station #1 project.

As previously approved, the City of Henderson entered into a construction agreement with ARC Construction Co., Inc., of Evansville, Indiana, on March 25, 2025, for the construction of the new Fire Station No. 1. The original contract included a contingency allowance of \$300,000.00 and a sign allowance of \$45,000.00. The sign allowance has since been reallocated to the contingency allowance, resulting in a total contingency amount of \$345,000.00.

ARC Construction has submitted a change order request totaling \$117,986.22. This request addresses unsuitable soils beneath the building slab and parking areas in two locations; undercutting of an existing fiber line to accommodate site drainage; exploration and relocation of an existing fiber line; and revisions to the grease interceptor.

In addition, the City has requested certain additions and modifications to the original contract, as outlined in Project Manager Memorandum No. 26-01, Proposal Requests (PR #1, PR#2, PR#5, PR#8 and PR #10). These additions and modifications total \$151,843.75 and will be funded from the existing contingency allowance. The total for Change Order No. 1 is in the amount of \$269,830.00. Approval of this change order will not increase the total contract amount. This change order will result in an increase of forty-five (45) days for substantial completion.

Your approval of the attached municipal order is respectfully requested.

c: Buzzy Newman
Jenna Basham

**Project Manager Memorandum
26-01**

January 21, 2026

TO: Dylan H. Ward, City Manager

THROUGH: William L. "Buzzy" Newman, Jr., Assistant City Manager *WZN*

FROM: Jenna Basham, Project Manager *JB*

SUBJECT: Change Order #1 for Fire Station #1

The original contract amount for the project was awarded to Arc Construction on March 25, 2025, for \$10,785,450.00. The contract includes a \$300,000.00 contingency allowance and a \$45,000.00 sign allowance. To provide additional flexibility for addressing unforeseen conditions and scope refinements, the \$45,000.00 sign allowance is being reallocated into the contingency allowance by this Change Order, resulting in a total available contingency of \$345,000.00.

The following changes are proposed under Change Order #1 for the new Fire Station #1.

Change Request from Contractor (COR):

- | | |
|--|---------------------|
| ➤ COR #1 – Unsuitable soils below building slab | Cost = \$ 4,049.96 |
| ➤ COR #2 – Unsuitable soils below parking areas | Cost = \$ 36,505.98 |
| ➤ COR #3 – Undercut existing fiber line to allow for site drainage | Cost = \$ 1,147.76 |
| ➤ COR #4 – Exploration of the existing fiber line | Cost = \$ 5,044.61 |
| ➤ COR #5 – Relocation of existing fiber line | Cost = \$ 16,722.38 |
| ➤ COR #6 – Revising grease interceptor | Cost = \$ 1,050.00 |
| ➤ COR #7 – unsuitable soils below parking area | Cost = \$ 53,465.56 |

Total COR Cost: \$117,986.25

Proposal Requests (PR):

- PR #1 – Adding ADA Ramp at the intersection of North Adams and 2nd Street, revised site utility sizing, and revised landscaping plan
Cost = \$ 28,741.00
- PR #2 – Interior Revisions - All Bedrooms to receive a permanent solid surface desk to replace furniture provided by owner, all offices, training room, conference room, and bedrooms to receive LVT in lieu of carpet, training Room 105 to receive acoustic wall tiles on south facing wall, Conference room 119 to receive acoustic wall tiles on north and south facing walls, and Change locker room from LVT to tile
Cost = \$ 37,469.00
- PR #5 – Revised overhead doors to double doors
Cost = \$ 2,593.76
- PR #8 – Additional floor boxes for training room
Cost = \$ 78,484.00
- PR #10 – Infrastructure for owner provided antenna
Cost = \$ 4,555.99

Total PR Cost: \$151,843.75

Combined Total (CORs + PRs): \$269,830.00

All costs associated with Charge Order #1 will be funded entirely from the project contingency allowance. Change Order #1 is a net zero change order. The original contract amount of \$10,785,450.00 remains unchanged, and there is no increase to the overall project budget.

As a result of the fiber line relocation, 45 days are being added to the contract, resulting in a new substantial completion date of August 19, 2026.

Below is a summary of the funds:

	<u>Amount</u>
Original Contract Amount	\$10,785,450.00
Total Available Contingency	\$345,000.00
Combined Total (CORs + PRs)	\$269,830.00
Remaining Contingency Balance	\$75,170.00

Staff recommends acceptance of the Change Order #1 as presented, with funding drawn from the contingency allowance.

AIA® Document G701® – 2017

Change Order

PROJECT: <i>(Name and address)</i> Henderson Fire Station No. 1	CONTRACT INFORMATION: Contract For: General Constructoin Date: 11-24-2025	CHANGE ORDER INFORMATION: Change Order Number: 001 Date: 12-15-2025
OWNER: <i>(Name and address)</i> City of Henderson 222 First Street Henderson, KY 42420	ARCHITECT: <i>(Name and address)</i> Brandstetter Carroll Inc. 2360 Chauvin Drive Lexington, KY 40517	CONTRACTOR: <i>(Name and address)</i> ARC Constructoin 1745 South Kentucky Avenue Evansville, IN 47728

THE CONTRACT IS CHANGED AS FOLLOWS:

(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

Additions:

Change Requests from Contractor

1. COR 1 for unsuitable soils below slab was addressed as recommended by the Special Inspections Team in the amount of \$4,049.96
2. COR 2 for unsuitable soils below parking areas was addressed as recommended by the Special Inspections Team in the amount of \$36,505.98
3. COR 3 undercut at the existing fiber lines to allow drainage from south to north as requested by the Owner was conducted in the amount of \$1,147.76
4. COR 4 for exploration of the existing fiber line was conducted in the amount of \$5,044.61
5. COR 5 for relocation of the existing fiber line was conducted in the amount of \$16,722.38
6. COR 6 Revising the grease interceptor at the request of the Local Utility in the amount of \$1,050.00
7. COR 7 for unsuitable soils below parking area at job trailer was addressed as recommended by the Special Inspections Team in the amount of \$53,465.56

Proposak Requests

1. PR 1 Miscellaneous Site and Utility Revisions as requested by the Owner in the amount of \$28,741.00
2. PR 2 Interior revisions as requested by the Owner in the amount of \$37,469.00
3. PR 5 Revision of overhead door to double doors as requested by the Owner in the amount of \$2,593.76
4. PR 8 Additional Floor Boxes throughout Training Area as requested by the Owner in the amount of \$78,484.00
5. PR 10 infrastructure for Owner provided antenna as requested in the amount of \$4,555.99

Credits

1. The Owner will not be pursuing the alternate post signage, and the allowance is being returned to them in the amount of (\$45,000.00)

Total Additions: \$269,830.00

Total Credits: \$45,000.00

Owner Contingency: \$300,000.00

Less CO: \$224,830.00

Balance of Owner Contingency: \$75,170.00

The original Contract Sum was	\$ 10,785,450.00
The net change by previously authorized Change Orders	\$ 0.00
The Contract Sum prior to this Change Order was	\$ 10,785,450.00
The Contract Sum will be unchanged by this Change Order in the amount of	\$ 0.00
The new Contract Sum including this Change Order will be	\$ 10,785,450.00

The Contract Time will be increased by Forty-Five (45) days.

The new date of Substantial Completion will be 08-19-2026

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.


ARCHITECT (Signature)

BY: Ian C. Beattie, Vice President
(Printed name, title, and license
number if required)

Date

12/15/25


CONTRACTOR (Signature)

BY: ARC Construction
(Printed name and title)

Date

12/15/25

OWNER (Signature)

BY: City of Henderson Kentucky
(Printed name and title)

Date

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER APPROVING CHANGE ORDER #1 TO THE CONSTRUCTION AGREEMENT WITH ARC CONSTRUCTION CO., INC., OF EVANSVILLE, INDIANA FOR FIRE STATION 1 IN AMOUNT NOT TO EXCEED \$269,830.00 WHICH WILL BE COVERED BY THE CONTINGENCY ALLOWANCE IN THE ORIGINAL CONTRACT

WHEREAS, the City of Henderson entered into a construction agreement with ARC Construction Co., Inc., of Evansville, Indiana ("ARC"), on March 25, 2025, for the construction of Fire Station No. 1; and

WHEREAS, the original contract included a \$300,000 contingency allowance and a \$45,000 sign allowance, and the sign allowance has been reallocated to the contingency allowance, resulting in a total contingency amount of \$345,000; and

WHEREAS, the Contractor has requested a change order related to unsuitable soils beneath the building slab and parking areas in two locations, undercutting of a fiber line to allow for site drainage, exploration of the existing fiber line, relocation of an existing fiber line, and revisions to the grease interceptor, totaling \$117,986.25; and

WHEREAS, after the contract was awarded, the City determined that it is in its best interest to make certain additions and modifications to the original contract including an additional ADA-accessible ramp, revisions to utility sizing and the landscaping plan, interior improvements consisting of permanent solid-surface desks in each bedroom in lieu of owner provided furniture, modification of all offices, training room, conference room, and bedrooms flooring from carpet to luxury vinyl tile (LVT) flooring, installation of acoustic wall tiles in the training room and conference room, modification of locker room flooring from LVT to ceramic tile, conversion of overhead door to double doors, addition of floor boxes in the training room, and inclusion of infrastructure for an antenna, all of which shall be funded from the contingency allowance in the original contract, including the reallocated sign allowance totaling \$151,843.75; and

WHEREAS, the City Manager recommends the approval of Change Order #1.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky, that Change Order No. 1 to the construction agreement with ARC Construction Co., Inc. is hereby approved in an amount not to exceed \$269,830.00, for work related to unsuitable soils, site drainage and fiber line modifications, grease interceptor revisions, and selected additions requested by the City, as described herein; the cost of Change Order No. 1 shall be paid from the existing contingency allowance in the contract, including the reallocated sign allowance, and shall not increase the total contract amount and the Mayor is authorized to execute all necessary documents on behalf of the City.

MUNICIPAL ORDER NO.

On motion of Commissioner _____, seconded by Commissioner _____,
that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

**INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE
READING**, this the _____ day of January 2026.

Bradley S. Staton, Mayor

Date: _____

ATTEST:

Jessa Brandon, City Clerk

APPROVED AS TO FORM AND
LEGALITY THIS 22nd DAY OF
JANUARY 2026

By: _____
Dawn S. Kelsey
City Attorney

City Commission Memorandum
26-37

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Purchase of Used 2021 Dodge Ram 1500 Crew Cab Pickup Truck
for Police Department

The accompanying municipal order authorizes the purchase of a used 2021 Dodge Ram 1500 Crew Cab pickup truck from Audubon Chrysler of Henderson Kentucky, in the amount of \$38,997.00 for use by the Police Department.

The vehicle was originally provided to the Police Department by Audubon Chrysler on June 11, 2021, under a three-year lease that expired in June 2024. The Police Department is now requesting approval to purchase the vehicle and incorporate it into the department's fleet. The truck has been outfitted with additional equipment necessary for police operations, as well as a police decal package.

The current Kelly Blue Book value of the vehicle is approximately \$34,500.00, which does not account for the additional police equipment and decal package that have been installed.

Funding for this purchase will be drawn from the Police Department's Investigations Account, as included in the FY2026 budget. Your approval of the attached municipal order is respectfully requested.

c: Brian Williams
Chelsea Mills

POLICE DEPARTMENT MEMORANDUM
25-17

December 8, 2025

TO: Dylan Ward
City Manager

FROM: Billy Bolin
Chief of Police

SUBJECT: 2021 Dodge Ram 1500 Police Truck Purchase

I am requesting approval to purchase a 2021 Dodge Ram 1500 Crew Cab Pickup from Audubon Chrysler, Henderson, Kentucky, at a cost of \$38,997. The vehicle was provided by Audubon Chrysler for our department use under a three-year lease in 2022 and was added to our fleet of vehicles.

The current Kelley Blue Book value of this vehicle is approximately \$34,500. However, this does not include the cost of additional equipment necessary to outfit a police vehicle or the cost of a decal package. After equipment costs, decals and labor, the cost is comparable for the asking price. See attached KBB information.

Funds for this purchase would be taken from our Investigations Account so there would be no adjustments needed for the current 2025-2026 Police Department fiscal budget.

Purchase of this vehicle would be beneficial to our department as it is fully equipped and decal wrapped for our department, and there would be no downtime in trying to secure another vehicle for our needs.

Should you need any additional information regarding this matter, please let me know.

A handwritten signature in black ink, appearing to read 'B. Bolin', is written over a horizontal line.

Billy Bolin
Chief of Police

[Cars For Sale](#)[Pricing](#)[Depreciation](#)[Specs & Features](#)[Reviews](#)[See Cars for Sale](#)

Our Current
Truck
wants \$38,997

Advertisement

Used 2021 Ram 1500 Crew Cab Big Horn Pickup 4D 6 1/3 Ft

Henderson, KY 42420

[See Trade-in Value](#)[Edit Options](#) Mileage: 52,113 [✎](#) 4.5 [★](#) Expert 4.3 [★](#) Consumer [Write a Review](#)[♥ Save This Car](#)[View Gallery](#) [🖼](#)

For Sale Near You

44 Ram 1500 Crew Cab vehicles in your area.

New 2025

**New 2025 RAM 1500
Laramie**

USED 2021

**Used 2021 RAM 1500 Big
Horn**

USED 2021

**Used 2021 RAM 1500
Laramie W/ Sport
Appearance Package**

Advertisement

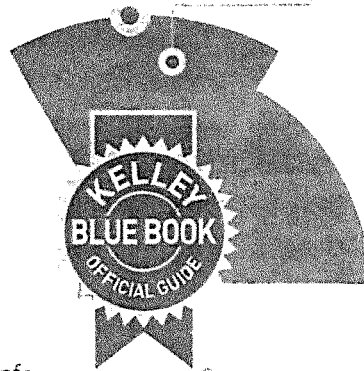
[See Cars for Sale](#)[View More](#)

Ram 1500 Crew Cab vehicles for sale near you.

[See Cars for Sale](#)

Pricing

Fair Market Range \$31,049 - \$36,361	Typical Listing Price \$34,357
Fair Purchase Price \$33,457	



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Advertisement

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER AUTHORIZING PURCHASE OF A USED 2021 DODGE RAM 1500 POLICE TRUCK FOR THE HENDERSON POLICE DEPARTMENT FROM AUDUBON CHRYSLER, HENDERSON, KENTUCKY IN THE AMOUNT OF \$38,997.00

WHEREAS, the Audubon Chrysler provided a 2021 Dodge Ram 1500 Crew Cab pickup through a lease beginning in June 2021.

WHEREAS, the lease has now expired and the vehicle is in excellent condition;
and

WHEREAS, the Kelley Blue Book value of the vehicle is approximately \$34,500 exclusive of the cost of the additional equipment necessary for a police vehicle; and

WHEREAS, the Police Department desires to purchase this vehicle with the police equipment already installed for the negotiated purchase price of \$38,997 out of the Investigation Account; and

WHEREAS, pursuant to KRS 45A.380 this is a non-competitive purchase as competition is not feasible to acquire pre-owned, specialized police equipped truck of this type, and the purchase of this vehicle would be beneficial to the Henderson Police Department as it is fully equipped and decal wrap and it would avoid the delay from securing another vehicle; and

WHEREAS, the City Manager recommends the purchase of the previously leased truck for the amount of \$38,997.00 be approved.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky, that the recommendation of the City Manager is approved, and the purchase of the 2021 Dodge Ram 1500 Crew Cab Pickup Truck, in the amount of \$38,997.00, be approved.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

Bradley S. Staton, Mayor

Date: _____

MUNICIPAL ORDER NO.

ATTEST:

Jessa Brandon, City Clerk

APPROVED AS TO FORM AND
LEGALITY THIS 22nd DAY OF
JANUARY 2014

By: _____

Dawn S. Kelsey
City Attorney

City Commission Memorandum
26-38

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Electrical Inspection Services – Damion Young, DBA D.Y. Inspections, LLC

The accompanying municipal order approves the execution of an agreement for electrical inspection services with Damion Young, DBA D.Y. Inspections, LLC.

Under this Agreement, Mr. Young will provide electrical inspection services on an as needed bases to inspect buildings for electrical code compliance when the City's electrical inspector is unavailable. Mr. Young is a qualified Certified Electrical Inspector pursuant to KRS 227.489. For terms of the Agreement please see the Agreement for Electrical Inspection Services attached to the municipal order.

Your approval of the attached municipal order is respectfully requested.

c: Dawn Kelsey

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER APPROVING AGREEMENT FOR ELECTRICAL INSPECTION SERVICES BETWEEN THE CITY OF HENDERSON AND DAMION YOUNG, DBA D.Y. INSPECTIONS, LLC; AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, the City of Henderson is in need of supporting personnel to conduct electrical inspection services on an as needed basis to inspect buildings for electrical code compliance when the City's electrical inspector is unavailable; and

WHEREAS, Damion Young is a State certified electrical inspector; and

WHEREAS, the City Manager recommends approving the attached Agreement for Electrical Inspection Services between the City of Henderson and Damion Young, dba D.Y. Inspections, LLC.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky, that the attached Agreement for Electrical Inspection Services between the City of Henderson and Damion Young, dba D.Y. Inspections, LLC, 126 N. Monroe Street, Sturgis, Kentucky 42459, is approved; and the Mayor is authorized to execute the Agreement on behalf of the City.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner: Hargis	_____	Commissioner Whitt:	_____
Commissioner: Thomas	_____	Mayor Staton:	_____
Commissioner: Pruitt	_____		

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

ATTEST:

Bradley S. Staton, Mayor

Date: _____

Jessa Brandon
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 22nd DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey
City Attorney

MUNICIPAL ORDER NO.

AGREEMENT FOR ELECTRICAL INSPECTION SERVICES

This agreement ("Agreement") made and entered into on this _____ day of _____, 2026, by and between City of Henderson, Kentucky, a Kentucky municipal corporation with its principal offices located at 222 First Street, Henderson, Kentucky (hereinafter "CITY"), and Damion Young, d/b/a D.Y. Inspections, LLC, with its principal office located at 126 N. Monroe Street, Sturgis, Kentucky (hereinafter "CONTRACTOR").

WHEREAS, the CITY, pursuant to its authority under KRS Chapter 227, has asserted its right to regulate the installation and operation of electrical wiring, appliances, apparatus, and devices in or about buildings within the city limits of the City of Henderson, Kentucky; and

WHEREAS, the CITY, pursuant to its authority under KRS Chapter 227 is empowered to enforce regulations authorized by Chapter 227 by and through a contractual agreement with a certified electrical inspector; and

WHEREAS, the CITY is desirous of providing approved electrical inspectors as defined in KRS 227.450(4) in order to support personnel to conduct electrical inspection services on an as needed basis to support and encourage construction, alterations, or repairs of any electrical wiring used for the purpose of furnishing heat, lighting, or power, all in a timely manner; and

WHEREAS, Damion Young is a qualified Certified Electrical Inspector pursuant to KRS 227.489.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, it is agreed as follows:

1. CITY hereby authorizes that CONTRACTOR is hereby approved as an electrical inspector for the purpose of conducting statutorily mandated electrical inspections for projects located within the city limits of the CITY.
2. CONTRACTOR is hereby authorized to perform electrical inspections for the CITY. Pursuant to this authority, CONTRACTOR shall maintain his certification as an electrical inspector by the Commonwealth of Kentucky and shall further be afforded such authority as in accord by law. CONTRACTOR must maintain valid CITY occupational license and residency within the Commonwealth of Kentucky.
3. CONTRACTOR agrees to perform the duties and obligations necessary for the enforcement of the provisions of KRS Chapters 227 and 227A, and all applicable regulations promulgated thereunder, regarding the installation and operation of electrical wiring, appliances, apparatus and devices, and the verification of electrical license(s). CONTRACTOR further agrees to require, and issue when appropriate, permits prior to any commencement of construction, alterations, or repairs of any

electrical wiring as set forth in KRS 227.480. Furthermore, records of said permits shall be maintained as required by state and local statutes.

4. CONTRACTOR shall immediately report to the CITY any individual performing electrical work or installation in the CITY who is not licensed to do so, or in the case of an owner/occupant, who has not properly obtained a Building Permit for performing the work on his/her own property.
5. During the term of this Agreement, CONTRACTOR, shall maintain a complete record of all inspections, submit all inspection records semi-annually or as required by state and local statutes, and submit said reports to CITY on a monthly basis.
6. CONTRACTOR shall be compensated solely by the electrical contractor of the owner of the property being inspected or the person, firm, or corporation performing the electrical work subject to inspection, in accordance with the fee schedule prescribed in Exhibit "A" attached hereto. In accordance with the foregoing, the CITY shall in no way compensate CONTRACTOR for electrical inspection services, other than when requested to do so for CITY projects, and neither shall the CITY be responsible for the collection of any unpaid electrical permit/inspection fees.
7. CONTRACTOR shall provide the CITY with a quarterly financial report showing all collections for inspections and any other revenues received as a result of this inspection services contract.
8. CONTRACTOR shall wear clothing identifying him/her as an electrical inspector and shall have signage or contractor vehicles identifying him/her as an electrical inspector. The CONTRACTOR shall be available for calls from the CITY during normal business hours Monday – Friday excluding CITY recognized holidays.
9. All requests for inspections shall be responded to within 24 hours of notification. In the event the CONTRACTOR must close the office for more than 48 hours during the normal work week, the CONTRACTOR shall notify the City's Code Administrator at least 24 hours prior to such closing.
10. CONTRACTOR shall maintain in full force a liability insurance policy in the minimum amount of \$2,000,000.00 insuring against acts or omissions of the CONTRACTOR, and its respective employees, and naming CITY as an additional insured on said insurance policy for the duration of this Agreement. Further, if CONTRACTOR receives notice that his/her certification or insurance coverage is suspended or terminated for any reason during the term of this Agreement, CONTRACTOR must notify the CITY immediately and shall not perform any services for the CITY until certification or insurance coverage has been reinstated.
11. This Agreement shall be in effect as the date stated above and shall continue while electrical inspector remains certified unless terminated in accordance with this paragraph. This Agreement may be terminated by either party at any time upon sixty

(60) days written notice to the other party and to the Department of Housing, Buildings and Construction for the Commonwealth of Kentucky. All such notices shall be by certified mail or personally delivered as follows:

City of Henderson
Code Enforcement Division
P.O. Box 716
Henderson, KY 42419-0716

Damion Young
d/b/a D.Y. Inspections, LLC
126 N. Monroe Street
Sturgis, KY 42459

12. CONTRACTOR shall not subcontract electrical inspections with other agencies or inspectors without prior written approval of the CITY. This Agreement shall not be assigned to any other party without the written consent of the CITY.
13. It is specifically understood that this Agreement does not create a joint venture between the parties, nor do the parties have a principal/agency relationship, a master/servant or employer/employee relationship, nor any other type of legal relationship which may be construed to be such that the parties are involved in joint activities by virtue of this Agreement. CONTRACTOR, a Certified Electrical Inspector, is an independent contractor to the CITY, and is solely responsible for all claims by third parties and agrees to indemnify and hold the CITY free and harmless from any claims for liability which may be made against CONTRACTOR as a result of activities, including costs and attorney fees under this Agreement. CONTRACTOR hereby waives and foregoes the right to receive any benefits given by the CITY to its regular employees, including, but not limited to, workers' compensation benefits, health benefits, vacation, and sick leave benefits.
14. If CONTRACTOR, or its respective employees, is arrested or charged with a felony or a violation of the Kentucky Revised Statutes (KRS) governing firearms, narcotics, or sex offenses, then he must notify the Code Administrator on the next working day after his/her arrest or charge.
15. This Agreement, with attached exhibit, contains the entire agreement between the parties regarding this matter. This Agreement may be modified only by a written amendment to this Agreement, which is authorized by both the CITY and the CONTRACTOR.

The parties have executed this Agreement, by their duly authorized representatives, on the date first above written.

CITY OF HENDERSON, KENTUCKY

D.Y. INSPECTIONS, LLC

By: _____
Bradley S. Staton, Mayor

Damion Young
State Certified Electrical Inspector

STATE OF KENTUCKY

COUNTY OF HENDERSON...SCT.

SUBSCRIBED and SWORN to before me by Bradley S. Staton, Mayor of the City of Henderson, Kentucky, a municipal corporation, this _____ day of _____, 2026.

My commission expires _____

Notary Public

(Seal)

STATE OF KENTUCKY

COUNTY OF HENDERSON...SCT.

SUBSCRIBED and SWORN to before me by Damion Young, d/b/a D.Y. Inspections, LLC, State Certified Electrical Inspector, this _____ day of _____, 2026.

My commission expires _____

Notary Public

(Seal)

Electrical Inspection Fee Schedule

(1) Residential Fee Schedule

- Residential inspections: \$ 75.00 per inspection

(2) Commercial/Industrial Fee Schedule

- \$0 - \$25,000 \$ 100.00 per inspection
- \$25,001 - \$999,999 1.5% of total electrical contract price
- \$1,000,000 ≤ 1% of total electrical contract price

(3) Solar Fee Schedule

- Residential:
 - 0-10 KW \$ 300.00
 - 10-25 KW \$ 600.00
 - 25 KW < \$1,000.00
- Commercial:
 - 0-10 KW \$ 400.00
 - 10-25 KW \$ 700.00
 - 25 KW < 1.5% of total electrical contract price

(Commercial/Industrial fees based on electrical/solar contract price shall not exceed \$10,000.00 per property per year unless a written request by the inspector detailing the reasons for the increased maximum fee for a particular property is approved by the Board of Commissioners.)

- (4) Any work found in progress without permit and/or any work completed without permit will be inspected and billed double the normal fee.

Definitions:

Residential - single family, duplex, apartments with eight (8) or less units, and other structures on the same lot

Commercial – real property used for business, includes apartment complex over eight (8) units

Industrial – large scale facility for manufacturing, producing, and/or storage

Commercial/Industrial Fee Schedule percentage fees are based upon the total electrical contract price inclusive of labor and material costs.

City Commission Memorandum
26-35

January 22, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Surplus Property – 2007 Ditch Witch JT1220 Horizontal Directional Drill and Accessories

The attached resolution declares a 2007 Ditch Witch JT1220 horizontal directional drill and accessories, previously used by Henderson Municipal Gas (HMG), as surplus property.

HMG has recently purchased a new horizontal directional drill and no longer has a need for the existing horizontal directional drill. Additionally, no other City department has identified a need for this equipment. Accordingly, the 2007 Ditch Witch JT1220 horizontal directional drill and accessories are considered surplus property of the City.

Pursuant to KRS 82.083(4)(d), the City may dispose of surplus personal property through electronic auction. It is recommended that the Finance Department be authorized to sell the Ditch Witch and its accessories via electronic auction.

Your approval of the attached resolution is respectfully requested

c: Chelsea Mills
Dawn Winn
Tim Clayton

RESOLUTION NO. _____

RESOLUTION DECLARING PERSONAL PROPERTY
CONSISTING OF HENDERSON MUNICIPAL GAS' 2007 DITCH
WITCH JT1220 - HORIZONTAL DIRECTIONAL DRILL AND
ACCESSORIES AS SURPLUS PROPERTY, AND AUTHORIZING
THEY BE SOLD BY ELECTRONIC AUCTION PURSUANT TO
KRS 82.083(4)(d)

WHEREAS, Henderson Municipal Gas ("HMG") owns a 2007 Ditch Witch JT1220,
horizontal directional drill which it used for trenchless installation of gas lines; and

WHEREAS, HMG has acquired a new Ditch Witch, and it no longer has need for its
older horizontal directional drill, and no other department of the city has use for it, and therefore, this
horizontal directional drill with its accessories constitute surplus property of the City; and

WHEREAS, pursuant to KRS 82.083(4)(d) the City may offer personal property for
sale by electronic auction, and the City Manager recommends authorizing the Finance Department to
dispose of the Ditch Witch and its accessories through electronic auction.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that
the recommendation of the City Manager is accepted, and the HMG Ditch Witch, horizontal
directional drill with accessories, is declared surplus property and the City is authorized to dispose
this property through electronic auction pursuant to KRS 82.083(4)(d).

On motion of Commissioner _____, seconded by Commissioner _____, that
the foregoing Resolution be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

WHEREUPON, Mayor Staton declared the Resolution adopted, affixed his signature
and the date thereto and ordered that the same be recorded.

ATTEST:

Bradley S. Staton, Mayor

Date: _____

Jessa Brandon, City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 22ND DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey
City Attorney

City Commission Memorandum
26-28

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Mowing Services – City Cemeteries

The accompanying municipal order authorizes the award of bid for mowing and trimming services for City cemeteries to Robinson Rental and Excavating, LLC, Providence, Kentucky in accordance with their low bid of \$186,361.50 annually.

The major part of the work is expected to commence approximately March 12, 2026, and continue through December 31, 2026, although weather will dictate the full-extent of the mowing season. Each cemetery is priced on a unit basis per property to be mowed which serves as the basis of compensation during the term of the agreement.

Included in the scope of work is the mowing and trimming of Fernwood, Fairmont, and Mount Zion cemeteries. The contract provides for the cemeteries to be mowed and trimmed at least once per week, or as specifically directed by the City. Special attention shall be paid to the appearance of the cemeteries for holidays. The frequency of mowing will be adjusted as necessary by the city with the lawns to be mowed often enough so as to maintain the length of the grass at no less than 1 1/2 inches and no taller than 3 inches. Grass clippings are to be blown off monuments, roadways, paths, and sidewalks by the end of each cut day. No herbicides or other chemicals are to be used for grass and weed control without the consent of the Park, Recreation, and Cemeteries Director. Any monument damaged or disturbed by the contractor is required to be repaired or reset at his expense. Minor litter pickup is also required of the contractor.

Bid packages were sent to nineteen (19) vendors with four (4) vendors submitting bids. Robinson Rental and Excavating, LLC, Providence, Kentucky, submitted the lowest responsive bid with an annual estimated price of \$186,361.50. This amount is an overall decrease of approximately 3% from the last contract in 2023.


The contract term is through December 31, 2026, with two optional 12-month extensions under the same terms and conditions. Your approval of the attached municipal order is requested.

c: Thomas Kenney
Dawn Winn

Park and Recreation Memorandum
26-03

January 16, 2026

TO: Dylan H. Ward, City Manager

FROM: Thomas Kenney, Park and Recreation Director 

SUBJECT: Mowing of City Cemeteries Bid Acceptance

In response to bid 25-24 Cemetery Mowing, the Parks and Recreation Department would like to recommend that the city accept the bid from Robinson Rental & Excavating of Providence, KY for Fernwood and Fairmont Cemeteries at an annual price of \$186,361.50.

Robinson Rental & Excavating has not provided services for the City of Henderson Parks & Recreation Department in the past. There were four companies that submitted bids in response to the bid request with Robinson Rental & Excavating being the lowest. The Mowing of City Cemeteries includes six areas in both Fernwood and Fairmont Cemeteries as well Mt. Zion Cemetery.

This contract will run through December 31, 2026, with two optional 12-month extensions.

Attachments: Bid Tab Sheet and Technical Conditions

c: Chelsea Mills, Finance Director

CITY OF HENDERSON, KENTUCKY BID TABULATION SHEET		Robinson Rental & Excavating		Ohio Valley Landscaping		Knight's Landscaping		Grindall's Lawncare LLC		Last Bid Reference 23-02 January 2023	Percent Increase/(Decrease)	
BID REFERENCE NO.:	25-24											
DATE BID OPENED:	01/09/26											
APPROVAL DATE:												
ACCEPTANCE FORM SENT:												
								No References				
	Mowing of City Cemeteries	Unit Price/Cut	Total	Unit Price/Cut	Total	Unit Price/Cut	Total	Unit Price/Cut	Total		Total	
	Fernwood Cemetery											
	Fernwood Mowing Area 1 (33 Cuts)	\$654.00	\$21,582.00	\$680.00	\$22,440.00	\$720.00	\$23,760.00	\$1,687.50	\$55,687.50		\$22,275.00	-3%
	Fernwood Mowing Area 2 (33 Cuts)	\$679.00	\$22,407.00	\$680.00	\$22,440.00	\$720.00	\$23,760.00	\$1,687.50	\$55,687.50		\$22,275.00	1%
	Fernwood Mowing Area 3 (33 Cuts)	\$354.00	\$11,682.00	\$680.00	\$22,440.00	\$720.00	\$23,760.00	\$1,687.50	\$55,687.50		\$22,275.00	-48%
	Fernwood Mowing Area 4 (33 Cuts)	\$1,204.00	\$39,732.00	\$680.00	\$22,440.00	\$720.00	\$23,760.00	\$1,687.50	\$55,687.50		\$22,275.00	78%
	Fernwood Mowing Area 5 (33 Cuts)	\$1,079.00	\$35,607.00	\$680.00	\$22,440.00	\$720.00	\$23,760.00	\$1,687.50	\$55,687.50		\$22,275.00	60%
	Fernwood Mowing Area 6 (15 Cuts)	\$225.00	\$3,375.00	\$165.00	\$2,475.00	\$200.00	\$3,000.00	\$1,687.50	\$55,687.50		\$2,625.00	29%
	Fairmont Cemetery											
	Fairmont Mowing Area 1 (33 Cuts)	\$183.50	\$6,055.50	\$375.00	\$12,375.00	\$400.00	\$13,200.00	\$1,125.00	\$37,125.00		\$12,375.00	-51%
	Fairmont Mowing Area 2 (33 Cuts)	\$400.25	\$13,208.25	\$375.00	\$12,375.00	\$400.00	\$13,200.00	\$1,125.00	\$37,125.00		\$12,375.00	7%
	Fairmont Mowing Area 3 (33 Cuts)	\$133.50	\$4,405.50	\$375.00	\$12,375.00	\$400.00	\$13,200.00	\$1,125.00	\$37,125.00		\$12,375.00	-64%
	Fairmont Mowing Area 4 (33 Cuts)	\$283.50	\$9,355.50	\$375.00	\$12,375.00	\$400.00	\$13,200.00	\$1,125.00	\$37,125.00		\$12,375.00	-24%
	Fairmont Mowing Area 5 (33 Cuts)	\$208.50	\$6,880.50	\$375.00	\$12,375.00	\$400.00	\$13,200.00	\$1,125.00	\$37,125.00		\$12,375.00	-44%
	Fairmont Mowing Area 6 (15 Cuts)	\$199.75	\$2,996.25	\$280.00	\$4,200.00	\$300.00	\$4,500.00	\$1,125.00	\$37,125.00		\$4,125.00	-27%
	Mt. Zion Cemetery (33 Cuts)	\$275.00	\$9,075.00	\$330.00	\$10,890.00	\$380.00	\$12,540.00	\$450.00	\$14,850.00		\$11,550.00	-21%
	Total Bid Price		\$186,361.50		\$191,640.00		\$204,840.00		\$571,725.00		\$191,550.00	-3%
Other Bidders Contacted:		Bids Opened & Recorded By:				Bids Reviewed By:						
Knight's Landscaping LLC, A Better Lawn Care, Pierson's Southern Turn Management, First Impressions, Unlimited Lawncare & Landscaping LLC, CTL Services, Fulcher's Lawn Care, Brandon's Lawn Care, Posey Lawn Care, Lawntek, Bluegrass Landscaping & Irrigation, Denton's FYC, Lucas Harrington, Steve Phipps, Ohio Valley Landscaping & Lawn Care, Duke Lawn Care LLC, RKC Outdoor Services		Dawn Winn Shay Bridges										

06-01-14H

City of Henderson, Kentucky
Invitation to Bid

Bid Reference No. 25-24

TECHNICAL CONDITIONS

- The contractor shall be responsible for all equipment and maintenance of said equipment required in fulfilling this contract.
- The work to be performed under this contract is expected to begin around March 12 and conclude around December 31. Depending upon weather and growing conditions, it is possible that mowing services will begin earlier than March 12 and continue after December 31. The contractor will be expected to start and end mowing services as directed by the City.
- The City does not guarantee any minimum or maximum number of mowings or trimming during the period covered by this contract. The City reserves the right to mow and trim any property included in the contract with its own crews or to otherwise care for its property as determined in its best interests.
- The contractor shall take precautions to protect the public, vehicles, buildings, facilities, etc., from harm or damage. Excessive mowing speed shall not be permitted. Proper attire, including shirts, and protective eyewear, shall be worn by bidders' employees at all times. The contractor's employees shall behave appropriately.
- All operations are to be carried out at each section/site before moving on to the next. Specifically, each section is to be mowed, trimmed, and monuments swept off before moving to another section of the cemetery.
- The contractor shall be responsible for minor litter control and shall not mow over any litter or artificial flowers and cause them to be thrown around the grounds. The contractor shall be responsible for disposing of shredded litter resulting from this action. The City shall be responsible for major litter control and shall be notified immediately when a problem exists.
- The properties shall be mowed and trimmed every seven (7) days, or as specifically directed by the City. The lawns shall be mowed often enough so as to maintain the length of grass at not less than one and one-half (1 ½") inches and not more than three (3") inches. The City shall be notified immediately where there is any deviation from the schedule due to equipment breakdowns, inclement weather conditions, or other reasons.
- Special attention shall be paid to the appearance of the cemeteries on the following days: Mother's Day, Memorial Day, Father's Day, Easter, Veterans Day, and the Fourth of July.

TECHNICAL CONDITIONS

Page 2

- No tractors or bush hog work shall be performed by the contractor.
- Grass adjacent to fixed objects, such as gravestones, monuments, etc. shall be trimmed to the same height as the general turf.
- Areas not accessible to mowers must be trimmed utilizing a weed-eater or similar trimming device. Special attention shall be paid to areas immediately adjacent to monuments, walls, fences, bushes, curbs, streets, paths, buildings, and other objects. The contractor will trim around headstones in such a manner as not to damage, mark or disfigure them.
- No headstone, grave marker, or any other monument in the cemeteries is to be disturbed. In the event of a disturbance, the City shall be immediately notified and it shall be the financial responsibility of the contractor shall notify the City who will assist in properly replacing and aligning the markers
- All grass clippings must be swept or blown from monuments, paths, mausoleums, sidewalks, and roadways immediately after mowing and/or edging, including in front of the department office in Fernwood Cemetery.
- Care must be taken when mowing and trimming around trees so the bark is not damaged.
- No mowing or trimming shall be performed during funerals or within any adjacent section if there are visitors to gravesites.
- Any public concerns or comments received by the contractor shall be reported to the City within one day after receipt. The contractor response shall consist of an acknowledgement of the call and remediation of the problem.
- The contractor may leave clippings on the lawn as long as no *readily visible* clumps remain on the grass surface 36 hours after mowing. Otherwise, Contractor will distribute large clumps of clippings by mechanical blowing or by collecting and removing them.
- Any sidewalk, curb, or gutter connected to the property will be maintained free of grass or weeds.
- No herbicides or other chemicals are to be used for grass or weed control without the express consent of the City.
- The contractor will keep all chain link fences free of weeds and vines. Turf at the base of chain link fences shall be kept neatly trimmed no taller than the surrounding turf. Vines and other vegetation shall not be permitted to grow on the fence.

TECHNICAL CONDITIONS

Page 3

- The vendor shall not park vehicles, trailers, or heavy equipment on turf areas or sidewalks without prior authorization from the City of Henderson. Do not block walks, drives, or parking areas during maintenance operations.
- The vendor shall not park vehicles, trailers, or heavy equipment on turf areas or sidewalks without prior authorization from the City of Henderson. Do not block walks, drives, or parking areas during maintenance operations.
- The contractor shall conform to the Fair Labor Standards Act of the U.S. Department of Labor Employment Standards Administration.
- The contractor shall notify the Parks and Recreation Department office by Thursday of each week when mowing takes place to report properties that have been mowed. This will initiate a property inspection by the City.
- The mowing schedule will begin on Friday and finish on Thursday of each week. On Friday of each week the cemetery's representative will conduct an inspection for payment of services completed in the prior week.
- The Contractor shall be responsible for notifying the cemetery's representative as soon as practical after all work is finished.
- The cemetery will notify the Contractor, in writing, of any work that is not deemed acceptable. The Contractor will have 72 hours to repair, replace, or redo the specified work. The Contractor will be responsible for all charges incurred.

- End of Section -

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER AWARDING BID FOR MOWING OF CITY CEMETERIES TO ROBINSON RENTAL & EXCAVATING OF PROVIDENCE, KENTUCKY, IN THE AMOUNT OF \$186,361.50.

WHEREAS, the City of Henderson has issued invitations to bid for mowing services for City cemeteries; and

WHEREAS, bids were submitted to the City pursuant to said invitations, and were publicly opened on January 09, 2026 with Robinson Rental & Excavating of Providence, Kentucky, submitting the lowest responsive bid, which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT ORDERED by the City of Henderson, Kentucky, that the recommendation of the City Manager is approved, and award is hereby made to Robinson Rental & Excavating of Providence, Kentucky for mowing services for Fernwood, Fairmont and Mt. Zion cemeteries, in the amount of \$186,361.50 in strict accordance with its bid as submitted pursuant to Bid Reference 25-24.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

ATTEST:

Bradley S. Staton, Mayor

Date: _____

Jessa Brandon
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 21ST DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey
City Attorney

MUNICIPAL ORDER NO.

City Commission Memorandum
26-27

January 20, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: Mowing Services Contract Group A1-City Parks and Other Properties

The accompanying municipal order authorizes the award of bid for mowing and trimming services for Group A1, City Parks and other properties, to RKC Outdoor Services, Morganfield, Kentucky in accordance with their low bid of \$1,800.00 per cut for Group A1 properties.

The work is expected to commence approximately March 13, 2026, and continue through December 31, 2026, although weather will dictate the full extent of the mowing season.

Included in the scope of work for Group A1 is the mowing and trimming of the properties listed in Group A1 which include Atkinson Park (Gathering Place, Pool, Denton Shelter, former golf course, north entrance, open-air shelter, area across from skate park, behind adult ball fields, restroom facility, barbeque pits, playground, riverwalk behind hospital); Disc Golf field holes 7, 8 and 9; spillway in Atkinson Park; Hays boat ramp and outside Bambino fields and boat ramp access sidewalk; and Bambino concession stand entrance. Grass clippings are to be blown off sidewalks, and facilities by the end of the cutting day. The contractor shall be responsible for minor litter control and shall not mow over any litter. This contract serves as an open requirement order and is a method to acquire services of an indeterminate amount at the lowest price.

Bid packages were sent to twenty-one (21) vendors, with eight (8) vendors submitting bids. RKC Outdoor Services, Morganfield, Kentucky, submitted the lowest responsive bid and award is recommended accordingly. This contract expires December 31, 2026, with two optional 12-month extensions upon agreement by both parties.


Adequate funds are budgeted and available for this purpose. Your approval of the attached municipal order is requested.

c: Thomas Kenney
Dawn Winn

Park and Recreation Memorandum
26-04

January 16, 2026

TO: Dylan H. Ward, City Manager

FROM: Thomas Kenney, Park and Recreation Director 

SUBJECT: Mowing of Group A1 Bid Acceptance

In response to bid 25-25 Mowing of City Parks and Other Properties – Group A1, the Parks and Recreation Department would like to recommend that the city accept the bid from RKC Outdoor Services.

RKC Outdoor Services of Henderson, Kentucky currently provides mowing services for the City of Henderson Parks and Recreation Department in the areas covering Group A2 and A3. Group A1 mowing consists of Hayes and Atkinson Park to 12th street. There were eight companies that submitted bids in response to the bid request with RKC Outdoor Services being the lowest, responsive bid.

The anticipated annual value of this contract is \$61,200 dependent on weather and other factors. This contract will run through December 31, 2026, with two optional 12-month extensions.

Attachments: Bid Tab Sheet and Technical Conditions

c: Chelsea Mills, Finance Director

CITY OF HENDERSON, KENTUCKY BID TABULATION SHEET		RKC Outdoor Services	ACA Lawncare	Ohio Valley Landscaping	Robinson Rental & Excavating	River City Services	Brandon's Lawn & Landscaping	TBH Lawncare	Grndall's Lawncare	Last Bid Reference 23-01 January 2023	Percent Increase/(Decrease)
BID REFERENCE NO.:	25-25										
DATE BID OPENED:	01/09/26										
APPROVAL DATE:											
ACCEPTANCE FORM SENT:											
								Incomplete Bid			
	Mowing of City Parks and Other Properties - Group A1	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Unit Price/Cut	Total	
	Atkinson Park: Gathering Place, Pool, Denton Shelter	\$225.00	\$240.00	\$225.00	\$300.00	\$253.13	\$400.00	\$800.00	\$1,127.50	\$225.00	0%
	Atkinson Park: North entrance, open-air shelter, area across Skate Park, behind	\$225.00	\$240.00	\$450.00	\$320.00	\$562.50	\$700.00	\$600.00	\$1,127.50	\$450.00	-50%
	Disc Golf Field holes #7, 8, & 9	\$225.00	\$240.00	\$220.00	\$360.00	\$168.75	\$250.00	\$500.00	\$1,127.50	\$208.00	8%
	Spillway in Atkinson Park	\$225.00	\$240.00	\$250.00	\$350.00	\$112.50	\$250.00	N/A	\$1,127.50	\$241.00	-7%
	Atkinson Park; Playground, Riverwalk behind hospital	\$225.00	\$240.00	\$265.00	\$365.00	\$337.50	\$410.00	\$800.00	\$1,127.50	\$265.00	-15%
	Hays boat ramp, outside Bambino fields and boat ramp access sidewalk	\$225.00	\$240.00	\$300.00	\$340.00	\$450.00	\$425.00	\$600.00	\$1,127.50	\$293.00	-23%
	Bambino concession stand entrance	\$225.00	\$50.00	\$95.00	\$340.00	\$56.25	\$215.00	\$300.00	\$1,127.50	\$96.00	134%
	Atkinson Park (former golf course)	\$225.00	\$630.00	\$800.00	\$375.00	\$900.00	\$1,200.00	\$1,000.00	\$1,127.50	\$799.00	-72%
	Group A1: Price Cut Total	\$1,800.00	\$2,120.00	\$2,605.00	\$2,750.00	\$2,840.63	\$3,850.00	\$4,600.00	\$9,020.00	\$2,577.00	-30%
					Incorrectly calculated on bid submission as\$2,450.00						
Other Bidders Contacted:								Bids Opened & Recorded By:	Bids Reviewed By:		
Knight's Landscaping LLC, A Better Lawn Care, Pierson's Southern Turn Management, First Impressions, Unlimited Lawncare & Landscaping LLC, CTL Services, Fulcher's Lawn Care, Brandon's Lawn Care, Posey Lawn Care, Lawntek, Bluegrass Landscaping & Irrigation, Denton's FYC, Lucas Harrington, Steve Phipps, Ohio Valley Landscaping & Lawn Care, Duke Lawn Care LLC, RKC Outdoor Services								Dawn Winn Shay Bridges			
06-01-14H											

City of Henderson, Kentucky
Invitation to Bid

Bid Reference No. 25-25

TECHNICAL CONDITIONS

- The contractor shall be responsible for all equipment and maintenance of said equipment required in fulfilling this contract.
- The work to be performed under this contract is expected to begin around March 12 and conclude around December 31. Depending upon weather and growing conditions, it is possible that mowing services will begin earlier than March 12 and continue after December 31. The contractor will be expected to start and end mowing services as directed by the City.
- The City does not guarantee any minimum or maximum number of mowings or trimming during the period covered by this contract. The City reserves the right to mow and trim any property included in the contract with its own crews or to otherwise care for its property as determined in its best interests.
- Areas not accessible to mowers must be trimmed utilizing a weed-eater or similar trimming device. Special attention shall be paid to areas immediately adjacent to monuments, signs, walls, fences, bushes, curbs, streets, paths, building, and other objects.
- Curbs, sidewalks, and roadway edges that are adjacent to mowing areas will be kept free of weeds and grass. Cracks and joints in pavement or concrete may be treated with herbicide with the express permission of the city.
- The contractor shall take precautions to protect the public, vehicles, buildings, facilities, etc., from harm or damage. Excessive mowing speed shall not be permitted. Proper attire, including shirts, and safety glasses, shall always be worn by bidders' employees.
- No mowing shall be performed around shelter, picnic tables, playground equipment, and swimming pool complex while they are in use. The contractor shall take all precautions to protect the public vehicles, building, facilities, etc., from harm or damage.
- The contractor shall be responsible for minor litter control and shall not mow over any litter. The contractor shall be responsible for disposing of shredded litter resulting from this action. The City shall be responsible for major litter control and shall be notified immediately when a problem exists.
- All grass clippings must be swept from sidewalks, city buildings and facilities by the end of the cutting day.

TECHNICAL SPECIFICATIONS

Page 2

- Any sidewalk, curb, or gutter connected to the property will be maintained free of grass or weeds.
- No herbicides or other chemicals are to be used for grass or weed control without the express consent of the City.
- Before applying chemicals, the contractor shall submit Material Safety Data Sheets for all chemicals and similar substances covered by the Federal hazardous Material Notification Law and follow all safety standards as set by OSHA, the Division of Pesticides of the Kentucky Department of Agriculture, or other regulatory agencies. Contractor must be able to present current pesticide certifications required for using certain chemicals.
- The vendor shall not park vehicles, trailers, or heavy equipment on turf areas or sidewalks without prior authorization from the City of Henderson. Do not block walks, drives, or parking areas during maintenance operations.
- The contractor shall conform to the Fair Labor Standards Act of the U.S. Department of Labor Employment Standards Administration.
- The contractor shall notify the Parks and Recreation Department office by Thursday of each week when mowing takes place to report properties that have been mowed. This will initiate a property inspection by the City.

- End of Section -

MUNICIPAL ORDER NO. _____

MUNICIPAL ORDER AWARDING BID FOR MOWING OF CITY PROPERTIES COLLECTIVELY NAMED AS GROUP A1 TO RKC OUTDOOR SERVICES OF MORGANFIELD, KY IN THE AMOUNT OF \$61,200.00.

WHEREAS, the City of Henderson has issued invitations to bid for mowing services for City properties in Group A1-All Atkinson Park properties from Villa Drive to 12th Street, including Hays Park and Boat Ramp, outside Bambino Fields and Bambino concession stand entrance; and

WHEREAS, bids were submitted to the City pursuant to said invitations, and were publicly opened on January 09, 2026, with RKC Outdoor Services of Morganfield, KY submitting the best bid for Group A1, which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED by the City of Henderson, Kentucky, that the recommendation of the City Manager is approved, and award is hereby made to RKC Outdoor Services of Morganfield, KY for City properties collectively named as Group A1, in the amount of \$61,200.00 in strict accordance with their bids as submitted pursuant to Bid Reference 25-25.

On motion of Commissioner _____, seconded by Commissioner _____, that the foregoing Municipal Order be adopted, the vote was called. On roll call the vote stood:

Commissioner Hargis: _____	Commissioner Whitt: _____
Commissioner Thomas: _____	Mayor Staton: _____
Commissioner Pruitt: _____	

INTRODUCED, PUBLICLY READ AND FINALLY APPROVED ON ONE READING, this the _____ day of January 2026.

ATTEST:

Bradley S. Staton, Mayor

Date: _____

Jessa Brandon, CKMC
City Clerk

**APPROVED AS TO FORM AND
LEGALITY THIS 21ST DAY OF
JANUARY 2026.**

By: _____
Dawn S. Kelsey
City Attorney

MUNICIPAL ORDER NO.

City Commission Memorandum
26-34

January 21, 2026

TO: Mayor Bradley S. Staton and the Board of Commissioners

FROM: Dylan H. Ward, City Manager *DHW*

SUBJECT: City Manager's Report

I. Purchase of Garbage Truck for Public Works Department

Dylan Ward, City Manager, will be in attendance to discuss the purchase of a new garbage truck for the Public Works Department.

UPCOMING BOARD APPOINTMENTS

<u>BOARD</u>	<u>EXPIRATION DATE</u>	<u>TERM</u>
<u>CIVIL SERVICE PENSION FUND BOARD OF TRUSTEES</u>		
Linda Epley	June 1, 2025	4-Year
Jason Buchanan	June 1, 2025	4-Year
<u>BOARD OF APPEALS (NET PROFITS & OCCUPATIONAL TAX-CITY)</u>		
Alternate Member (Vacant-former member moved out of town)		3-Year
<u>PARKS & RECREATION BOARD</u>		
Tre Perkins	September 14, 2025	3-Year
Brenna Caudill	September 14, 2025	3-Year
Donna Spencer (Resignation)	September 14, 2027	3-Year
<u>MUNICIPAL HOUSING COMMISSION</u>		
Stephanie Chrisman	September 30, 2025	4-Year
<u>WATER & SEWER COMMISSION</u>		
George F. Jones, III	January 12, 2026	3-Year
<u>ETHICS BOARD</u>		
Adam Blythe	February 14, 2026	2-Year
<u>BOARD OF ZONING ADJUSTMENT (BOZA)</u>		
Tara Hunter	February 24, 2026	4-Year
Heather Knight	February 24, 2026	4-Year
<u>CITY UTILITY COMMISSION</u>		
Russell R. Sights	April 25, 2026	3-Year
Mark Weaver	April 25, 2026	3-Year
<u>TAX ASSESSMENT APPEALS BOARD</u>		
Amber Wood	May 21, 2026	3-Year
<u>HENDERSON CITY-COUNTY PLANNING COMMISSION</u>		
Mac Arnold	June 1, 2026	4-Year
<u>CODE ENFORCEMENT BOARD</u>		
Alan Taylor	June 30, 2026	3-Year
<u>HENDERSON TOURIST COMMISSION</u>		
Dee Patel	June 30, 2026	3-Year