

ORDINANCE NO. 1

AN ORDINANCE GRANTING TO TEXAS UTILITIES ELECTRIC COMPANY, ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC LIGHT, HEAT AND POWER FRANCHISE TO USE THE PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS AND PUBLIC GROUNDS AND WAYS OF THE CITY OF RAVENNA, TEXAS, PROVIDING FOR COMPENSATION THEREFOR, PROVIDING FOR AN EFFECTIVE DATE AND A TERM OF SAID FRANCHISE, PROVIDING FOR WRITTEN ACCEPTANCE OF THIS FRANCHISE, PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES, AND FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RAVENNA, TEXAS:

SECTION 1. That there is hereby granted to Texas Utilities Electric Company, its successors and assigns (herein called "TU Electric"), the right, privilege and franchise to construct, extend, maintain and operate in, along, under and across the present and future streets, alleys, highways, and public grounds and ways of the City of Ravenna, Texas (herein called "City") electric light and power lines, with all necessary or desirable appurtenances (including underground conduits, poles, towers, wires, transmission lines and other structures, and telephone and communication lines for its own use), for the purpose of supplying electricity to the City, the inhabitants thereof, and persons, firms and corporations beyond the corporate limits thereof, for light, heat, power and other purposes.

SECTION 2. Poles, towers, and other structures shall be so erected as not to unreasonably interfere with traffic over streets, alleys and highways.

SECTION 3. TU Electric's property and operations within the corporate limits of the City shall be subject to such reasonable rules and regulations of the City as may be authorized by applicable law for the protection of the general public.

SECTION 4. TU Electric shall hold the City harmless from all expense or liability for any act or neglect of TU Electric hereunder.

SECTION 5. This franchise is not exclusive, and nothing herein contained shall be construed so as to prevent the City from granting other like or similar rights, privileges and franchises to any other person, firm or corporation.

SECTION 6. In consideration of the grant of said right, privilege and franchise by the City and as full payment for the right, privilege and franchise of using and occupying the said streets, alleys, highways and public grounds and ways, and in lieu of any and all occupation taxes, assessments, municipal charges, fees, easement taxes, franchise taxes, license and inspection fees or charges, street taxes, street or alley rentals, certain regulatory expense under Section 24 of the Public Utility Regulatory Act or any similar or successor law, and all other


taxes, charges, levies, fees and rentals of whatsoever kind and character which the City may impose or hereafter be authorized or empowered to levy and collect, excepting only the usual general or special ad valorem taxes which the City is authorized to levy and impose upon real and personal property, sales and use taxes, and special assessments for public improvements, TU Electric shall pay to the City annually during the term hereof, a sum equal to four percent (4%) of its gross receipts received by TU Electric from the retail sale of electricity within the corporate limits of the City. The first payment hereunder shall be due and payable on or before March 15, 1994, and shall be based upon TU Electric's said gross receipts during the twelve-month period ending the preceding December 31 for the rights and privileges granted hereunder during the twelve-month period ended December 31, 1994. Subsequent payments hereunder shall be due and payable annually thereafter on or before March 15 of each succeeding year during the term hereof and shall be based on TU Electric's said gross receipts during the twelve-month period ending the preceding December 31 and shall be payment for the rights and privileges granted hereunder for the twelve-month period ending December 31 of the year in which the payment is made. Each such payment shall be accompanied with a report showing the gross receipts as aforesaid for the said preceding twelve-month period upon which the payment is based.

SECTION 7. This Ordinance shall become effective upon TU Electric's written acceptance hereof, said written acceptance to be filed by TU Electric with the City within thirty (30) days after final passage and approval hereof, and the right, privilege and franchise granted hereby shall continue thereafter for a term expiring on January 1, 2044.

SECTION 8. This Ordinance shall be cumulative of any and all other permits and franchises granted by the City to TU Electric provided, however, that all ordinances or parts of ordinances that conflict herewith are hereby repealed upon the effective date of this Ordinance.

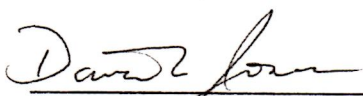
SECTION 9. It is hereby officially found that the meeting at which this Ordinance is passed is open to the public and that due notice of this meeting was posted, all as required by law.

PASSED AND APPROVED at a regular/called meeting of the City Council of Ravenna, Texas, this the 11th day of January, 1994



Mayor

ATTEST:



City Secretary

STATE OF TEXAS

COUNTY OF FANNIN

I, David E. Jones, City Secretary of the City of Ravenna, Texas, duly qualified, do hereby certify that the attached and foregoing copy of an ordinance entitled, "AN ORDINANCE GRANTING TO TEXAS UTILITIES ELECTRIC COMPANY, ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC LIGHT, HEAT AND POWER FRANCHISE AND REPEALING ALL PREVIOUS ORDINANCES OF THE CITY OF RAVENNA, TEXAS, GRANTING A FRANCHISE FOR SUCH PURPOSE" was passed and approved at a regular meeting of the City Council of said City on the 11th day of January, 1994.



City Secretary
City of Ravenna, Texas

(CITY SEAL)



January 24, 1994

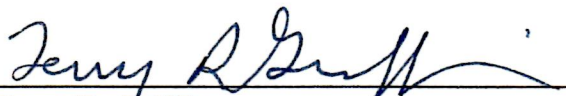
Terry R. Griffin
Sr. Vice President

TO THE MAYOR AND CITY COUNCIL
OF THE CITY OF RAVENNA, TEXAS:

The undersigned hereby accepts the terms of that certain franchise passed and adopted by the City Council of the City of Ravenna, Texas, by ordinance duly approved by the Mayor and attested by the City Secretary on January 11, 1994, same being, "AN ORDINANCE GRANTING TO TEXAS UTILITIES ELECTRIC COMPANY, ITS SUCCESSORS AND ASSIGNS, AN ELECTRIC LIGHT, HEAT AND POWER FRANCHISE TO USE THE PRESENT AND FUTURE STREETS, ALLEYS, HIGHWAYS AND PUBLIC GROUNDS AND WAYS OF THE CITY OF RAVENNA, TEXAS, PROVIDING FOR COMPENSATION THEREFOR, PROVIDING FOR AN EFFECTIVE DATE AND A TERM OF SAID FRANCHISE, PROVIDING FOR WRITTEN ACCEPTANCE OF THIS FRANCHISE, PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES, AND FINDING THAT THE MEETING AT WHICH THIS ORDINANCE IS PASSED IS OPEN TO THE PUBLIC."


IN TESTIMONY WHEREOF, witness the corporate signature of Texas Utilities Electric Company by its duly authorized officer, this the 24th day of January, 1994.

TEXAS UTILITIES ELECTRIC COMPANY



Terry R. Griffin
Sr. Vice President

Original acceptance of franchise, of which the foregoing is a true copy, was filed in my office on the 1 day of February, 1994, at 9:52 o'clock A.m.



City Secretary
City of Ravenna, Texas

(CITY SEAL)