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EXCERPTS FROM THE MINUTES  
OF A MEETING OF THE TOWN COUNCIL  
OF THE TOWN OF FOUNTAIN LAKE  
ARKANSAS HELD ON OCTOBER 6, 2003.

Chambers of the Town Council  
FOUNTAIN LAKE, Arkansas  
OCTOBER 6, 2003 - 7 P.M.

The Town Council of the Town of FOUNTAIN LAKE, Arkansas  
met in regular session on OCTOBER 6, 2003, at 7 p.m., due  
notice of said meeting having previously been given to each of the members of  
the council. Mayor RICK QUALLS presided, and KURT BELOIT  
Town Recorder (Clerk), and the following Council Members were present:

- JERRY WRIGHT
- DONNA BELOIT;
- PHILLIP MARTIN;

Council Members TRACY TAYLOR AND JOHN EDWARDS were  
absent.

There being a quorum present and it being so announced, the following  
proceedings were had:

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There was then presented Ordinance No. 2004-01, 02 entitled:

AN ORDINANCE GRANTING TO ENERGY ARKANSAS, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE AND AUTHORITY TO SELL, FURNISH AND DISTRIBUTE ELECTRIC POWER AND ENERGY AND ERECT, MAINTAIN, EXTEND AND OPERATE A SYSTEM FOR THE DISTRIBUTION, TRANSMISSION, FURNISHING OR SALE OF ELECTRIC POWER AND ENERGY TO THE TOWN OF FOUNTAIN LAKE, ARKANSAS, AND THE INHABITANTS AND ALL OTHER CONSUMERS THEREOF, AND TO USE THE STREETS, ALLEYS, BRIDGES AND OTHER PUBLIC GROUNDS OF THE TOWN IN CONNECTION THEREWITH; FIXING THE TERMS THEREOF, AND FOR OTHER PURPOSES; which ordinance was read the first time. Upon question by Mayor Qualls, the Town Recorder (Clerk) stated that the ordinance as read had been on file in the office of the Town Clerk for the required seven days for filing of franchise ordinances. Council member WRIGHT then moved that the rules be suspended and the ordinance as read be placed on second reading. This motion was seconded by Council member BELoit, and adopted by the following roll call vote: Ayes - Council Members WRIGHT, BELoit AND MARTIN

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- total 3; Noes – none; Absent – Council Members TAYLOR AND  
EDWARDS - total 2. Said ordinance was then read the second time. Motion was made by Council Member MARTIN that the rules again be suspended and the ordinance be placed on third and final reading. This motion was seconded by Council Member WRIGHT, and adopted by the following roll call vote: Ayes – Council Members BELoit, WRIGHT AND MARTIN

- total 3; Noes – none; Absent – Council Members TAYLOR AND  
EDWARDS

- total 2. The ordinance was then read the third and last time, and the Aye and No vote taken upon the question, Shall the Ordinance Pass, the result being as follows: Ayes – Council Members BELoit, WRIGHT AND  
MARTIN

total 3; Noes – none; Absent – Council Members TAYLOR AND  
EDWARDS

total 2. Whereupon, said ordinance was declared passed.

The emergency section, being Section 14 of Ordinance No. 2004-01,  
entitled: "AN ORDINANCE GRANTING TO THE ENTERGY ARKANSAS, INC.,  
ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE  
AND AUTHORITY TO SELL, FURNISH AND DISTRIBUTE ELECTRIC POWER  
AND ENERGY AND ERECT, MAINTAIN, EXTEND AND OPERATE A SYSTEM  
FOR THE DISTRIBUTION, TRANSMISSION, FURNISHING OR SALE OF  
ELECTRIC POWER AND ENERGY TO THE TOWN OF FOUNTAIN LAKE  
ARKANSAS AND THE INHABITANTS AND ALL OTHER CONSUMERS  
THEREOF, AND TO USE THE STREETS, ALLEYS, BRIDGES AND OTHER  
PUBLIC GROUNDS OF THE TOWN IN CONNECTION THEREWITH; FIXING  
THE TERMS THEREOF, AND FOR OTHER PURPOSES"; was read, and was  
adopted by the following roll call vote: Ayes – Council Members Belton,

WRIGHT AND MARTIN  
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total 3; Noes – none; Absent – Council Members Tracy Taylor  
AND JOHN EDWARDS  
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total 2.

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ORDINANCE NO. 2004-01

AN ORDINANCE GRANTING TO ENTERGY ARKANSAS, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE AND AUTHORITY TO SELL, FURNISH AND DISTRIBUTE ELECTRIC POWER AND ENERGY AND ERECT, MAINTAIN, EXTEND AND OPERATE A SYSTEM FOR THE DISTRIBUTION, TRANSMISSION, FURNISHING OR SALE OF ELECTRIC POWER AND ENERGY TO THE TOWN OF FOUNTAIN LAKE, ARKANSAS, WITHIN THE UTILITY'S ALLOCATED SERVICE TERRITORY, AND THE INHABITANTS AND ALL OTHER CONSUMERS THEREOF, AND TO USE THE STREETS, ALLEYS, BRIDGES AND OTHER PUBLIC GROUNDS OF THE TOWN IN CONNECTION THEREWITH; FIXING THE TERMS THEREOF, AND FOR OTHER PURPOSES.

WHEREAS, the Town must have an adequate and dependable supply of electric power and energy to perform its governmental functions and to promote the peace, health and safety of its inhabitants; and

WHEREAS, electricity has become a household necessity, and an adequate and dependable supply of electric power and energy is essential for carrying on the business and industrial activity of this community; and

WHEREAS, it is in the public interest that there be no duplication of electric facilities on the streets; and

WHEREAS, Entergy Arkansas, Inc., by the acceptance of the rights and privileges granted hereunder, is willing to, and does, obligate itself, its successors and assigns, to meet the reasonable requirements of this Town and its inhabitants for electric power and energy within utility's allocated service territory;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FOUNTAIN LAKE, ARKANSAS, THAT:

SECTION 1. The Town of Fountain Lake, Arkansas (hereinafter called Town or Grantor) hereby grants to Entergy Arkansas, Inc., its successors and assigns (hereinafter called Entergy or Grantee), the exclusive right, privilege and authority within the present and all future expansion of the corporate limits of the Town of Fountain Lake, Arkansas, within utility's allocated service territory, (1) to sell, furnish, transmit and distribute electric power and energy to Grantor and to all inhabitants and consumers within said limits, and (2) to construct, maintain, operate and extend a system for such purposes and to enter on, under and upon and use any and all of the streets, alleys, avenues, bridges and other public grounds and ways belonging to, or under the control of Grantor, for the purpose of erecting, maintaining, repairing, replacing and operating poles, wires, anchors, stubs, transformers, substations, cables, conduits and other related facilities, appliances and apparatus which are necessary for or useful in, the furnishing, sale, transmission or distribution of said electric service (hereinafter called facilities).

SECTION 2. Grantee shall, and does by acceptance hereof, agree to provide to the Town and its inhabitants adequate and reasonable electric service as a public utility and the facilities necessary to provide such service. Grantor, in

recognition of the large and continuing investment necessary for Grantee to perform its obligations hereunder, and the need and duty to promptly construct its facilities, as defined above, required to serve customers, in all areas and zones of the Town, consents to the construction of such facilities as defined in Section 1 in all such areas and zones, and Grantor agrees to protect by ordinance, regulation and otherwise, to the fullest extent permitted by law, and except as otherwise limited herein, the grants of rights and privileges to Grantee set forth in and subject to Section 1 from interference with, or duplication by, other persons, firms or corporations seeking to engage in the sale or distribution of electric energy.

SECTION 3. All facilities of Grantee which may be located on public ways, places and public property, as authorized herein, shall be located so as to not unreasonably obstruct public use and travel. All of Grantee's facilities shall be constructed, operated and maintained in accordance with standards at least equivalent to the standards prescribed by the National Electrical Safety Code. Grantee, its successors and assigns, shall replace and repair, at its own expense, all excavations, holes or other damage caused or done by it to public streets, ways, places and public property in the construction, operation and maintenance of its facilities.

SECTION 4. The Grantee, its successors and assigns, is hereby given the right to trim, cut or remove trees, shrubbery or growth on or in public ways,

places and public property which interfere or offer hazards to the operation of Grantee's facilities used or useful for the rendition of electric service, and, further, Grantee is hereby given the right, authority and permission to trim, cut and remove portions of trees, shrubbery or growth growing on private property but overhanging or encroaching on public ways, places and public property which interfere or offer hazards to the construction, operation and maintenance of Grantee's facilities.

SECTION 5. The rights, privileges and authority hereby granted shall exist and continue from the date of passage of this Ordinance, and thereafter, until terminated in accordance with provisions of Section 44 of Act 324 of the 1935 Acts of the State of Arkansas, as presently enacted or hereafter amended.

SECTION 6. The rates which are to be charged by Grantee for electric service hereunder shall be those which are now lawfully approved or prescribed, and as said rates may, from time to time, be amended by Grantee in accordance with law or by any regulatory authority having jurisdiction thereof.

SECTION 7. In the construction, operation and maintenance of its facilities, said Grantee shall use reasonable and proper precaution to avoid damage or injury to persons or property and shall hold and save harmless the said Grantor from damage, injury, loss or expense caused by the negligence of the Grantee, or its agents, servants or employees, in constructing, operating and



have the privilege of debiting any amount due Grantor with any unpaid balances due said Grantee for electric service rendered to said Grantor.

SECTION 11. Upon written acceptance by Grantee, this Ordinance shall constitute a contract between Grantor and the Grantee, and its successors and assigns.

SECTION 12. If any provision, clause, word, section or grant of this Ordinance, or the application thereof to any person or circumstance, be held invalid, such invalidity shall not affect any other provision, clause, word, section or grant of this Ordinance which can be given effect without the invalid provision or application, and to this end, said provisions, clauses, words, sections and grants are hereby declared to be severable.

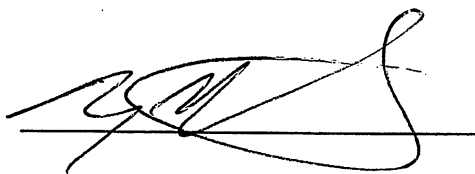
SECTION 13. All ordinances and parts or ordinances in conflict herewith are hereby repealed.

SECTION 14. It had been found, and is hereby declared by the Town Council of the Town of Fountain Lake that there is an urgent need to state terms and provisions of the franchise under which electric service is provided to the Town and other consumers therein, to agree upon adequate franchise fee to be paid by the utility furnishing such service to the Town, if any, and to fix terms and conditions for the use of Town streets, alleys and other public grounds for electric facilities; that it is in the public interest, convenience and necessity that there be no unnecessary duplication of such facilities; and that enactment of this

Ordinance will provide these benefits to the Town and its citizens. Therefore, an emergency is declared to exist, and this Ordinance being necessary for the preservation and advancement of the public peace, health and safety, shall take effect and be in full force from and after the date of its approval.

PASSED this 12 day of March, 2007

SIGNED:



Mayor, Tim Stockdale

ATTEST:



F. Lake Clerk, MARGARET BUSHONG

APPROVED AS TO FORM: \_\_\_\_\_

\_\_\_\_\_  
Attorney, \_\_\_\_\_

Entergy Arkansas, Inc., a corporation, hereby accepts the above franchise subject to the terms and conditions therein this \_\_\_\_\_ day of \_\_\_\_\_,

Entergy Arkansas, Inc.

By: \_\_\_\_\_

Vice President

**ATTEST:**

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**Assistant Secretary**