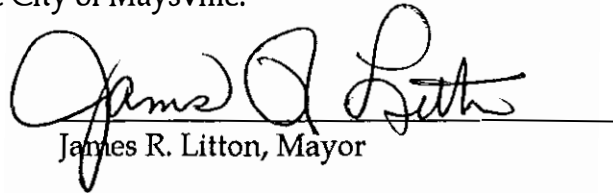


CITY OF MAYSVILLE
COMMONWEALTH OF KENTUCKY
RESOLUTION NO. 95C-10

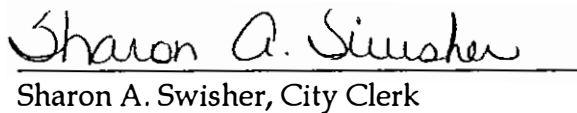
A RESOLUTION APPROVING CONTRACT FOR THE SALE OF WATER TO WESTERN LEWIS RECTORVILLE WATER AND GAS DISTRICT.

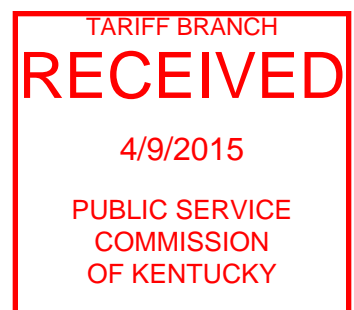
BE IT RESOLVED BY THE CITY OF MAYSVILLE, KENTUCKY, that a Contract with Western Lewis Rectorville Water and Gas District to purchase water from Maysville Utility Commission is hereby approved and the Mayor is authorized and directed to execute such Contract on behalf of the City of Maysville.


James R. Litton, Mayor

Introduced and Adopted: 9 March 1995
Signed by Mayor: 10 March 1995
Recorded by Clerk: 10 March 1995

ATTEST:


Sharon A. Swisher, City Clerk



WATER PURCHASE CONTRACT

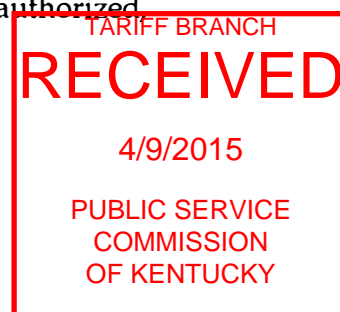
THIS CONTRACT for the sale and purchase of water is entered into as of 24 April 1995, between the City of Maysville, 216 Bridge Street, Maysville, Kentucky 41056, hereinafter referred to as the "SELLER", and Western Lewis Rectorville Water and Gas District, 8000 Day Pike, Maysville, Kentucky 41056, hereinafter referred to as the "PURCHASER",

WHEREAS, WITNESSETH: the Purchaser desires to increase the supply of water available to its users by construction of a water supply transmission system from the Seller's system to the Purchaser's system and to accomplish this purpose, the Purchaser will require a supply of treated water, and

WHEREAS, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated supplemental water needs to be required by the said Purchaser, and

WHEREAS, by Resolution No. 95C-10 enacted by the Board of Commissioners of Seller on 9 March 1995, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this Contract by the Mayor on behalf of Seller to carry out said Resolution was duly authorized,

and



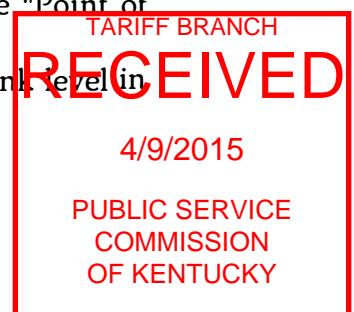
WHEREAS, by Resolution of the Board of Commissioners of the Purchaser, enacted on 9th MAY 1995, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this Contract by the Chairman on behalf of Purchaser was duly authorized,

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth:

A. The Seller Agrees:

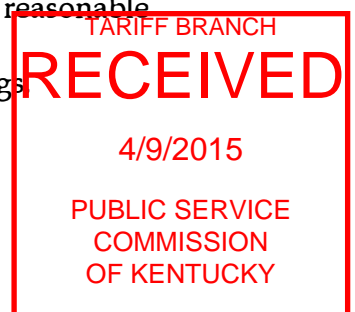
(1) (Quality and Quantity) To furnish the Purchaser at the Point of Delivery specified in paragraph (2) below, during the term of this Contract or any renewal or extension hereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky as defined by KRS 224.032 and in accordance with the Kentucky Public and Semi Public Water Supplies Regulations (KAR, Title 401, Chapter 6) in such quantity as may be required by the Purchaser at a minimum of 25,000 gallons per day and not to exceed 100,000 gallons per day, provided that upon completion of its new water plant now under construction, Seller will give due consideration to allowing Purchaser to purchase in excess of 100,000 gallons per day.

(2) (Point of Delivery and Pressure) The water will be furnished from an existing twelve inch main supply to Flemingsburg at a point located on Highway 11 approximately 750' south of AA Highway (Highway 9) (hereinafter the "Point of Delivery"). The pressure in the twelve inch main is controlled by the tank level in



Flemingsburg when the pump station located at the end of the existing 8" main on Highway 11 is off. Delivered pressure will vary depending on pump main operation and Flemingsburg tank level. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire, use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from the provisions concerning pressure and supply for such reasonable period of time as may be necessary to restore service.

(3) (Metering and Equipment) To operate and maintain at its own expense at the Point of Delivery on Highway 11, the necessary metering equipment, including a meter house or pit and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser. Seller will calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve months. A meter registering not more than two percent above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on the first day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings

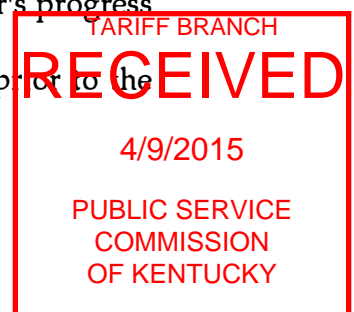


B. The Purchaser Agrees to install the necessary metering equipment required under Paragraph (A)(3) and to initially calibrate same, and to pay the Seller, not later than the 15th day of each month, for all water delivered, but not less than 25,000 gallons per day, at the rate of one dollar thirty-five and twenty four hundreds cents (\$1.3524) per 1,000 gallons.

C. It is further mutually agreed between the Seller and the Purchaser as follows:

(1) (Term of Contract) That the initial term of this Contract shall commence upon complete execution hereof and shall extend for the useful life of said water supply transmission system, hereby agreed to be forty years from the date of initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser. Provided, that Purchaser's right to purchase water under this Contract after the initial term hereof shall be renewed or extended at the option of the Purchaser. Purchaser's option may be exercised by written notice delivered to the other party during the final full calendar year of the initial term of this Contract, or at any time thereafter within one year after written interrogation by Seller as to such renewal or extension. If Purchaser fails to exercise its option, then its right hereunder shall be deemed automatically renewed and extended year by year pending its timely answer to such interrogation from Seller.

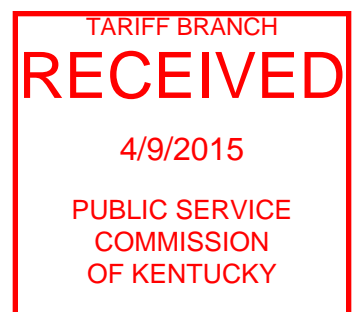
(2) (Notice of Progress and Initial Delivery of Water) That the Purchaser will regularly, and upon reasonable request, advise the Seller of the Purchaser's progress in financing and constructing the transmission system, and thirty days prior to the



estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

(3) (Water for Testing) That when requested by the Purchaser, the Seller will make available to the Contractor at the Point of Delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench-filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of one dollar thirty-five and twenty four hundreds cents (\$1.3524) per 1,000 gallons which will be paid by the contractor or, upon his failure to pay, by the Purchaser.

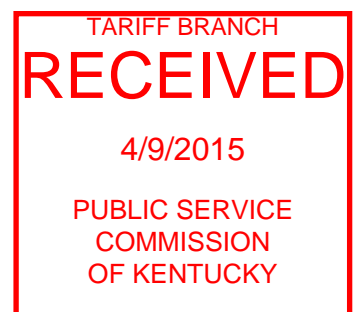
(4) (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be reasonably necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to the Purchaser shall be reduced or diminished in the same ratio or proportion as the supply to Seller's other consumers is reduced or diminished.



(5) (Modification of Contract) That the provisions of this Contract pertaining to the rate to be paid by Purchaser for water purchased, and for water used pursuant to paragraph C(3), shall be subject to modification as required. Provided, that any increase or decrease in rates shall be only in conjunction with a general rate adjustment for all large volume customers (defined as usage over 50,000 gallons per month). Purchaser agrees to pay his proportional share (based upon usage) of any reasonably justified charges that may be imposed by the City of Flemingsburg for their internal pumping costs required to provide line pressure support to the system. Purchaser shall not bear any cost for extension of the Seller's distribution system or for capacity increase of its water treatment plant incurred solely to serve a major new customer (defined as using over 100,000 gallons per day). Other provisions of this Contract may be modified or altered by mutual agreement in writing.

(6) (Regulatory Agencies) That this Contract is subject to applicable laws and regulations. The parties will cooperate in obtaining such permits, certificates, and similar authority required to comply with applicable laws and regulations.

(7) (Successors) That in the event of any occurrence rendering either party incapable of performing under this Contract, any successor of such party, whether the result of legal process, assignment, or otherwise, shall succeed to the rights and duties of such party hereunder.

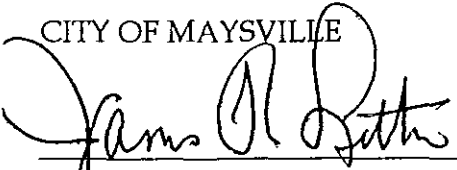


(8) (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from the United States Department of Agriculture, and the provisions of this Contract pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the United States Department of Agriculture. Purchaser's rights under this Contract are hereby pledged and assigned to the United States Department of Agriculture as security for its said loan to Purchaser.


(9) (Prior Agreements) That this Contract represents the agreement between Seller and Purchaser in its entirety.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed by duly authorized officers in four counterparts, each of which shall constitute an original.

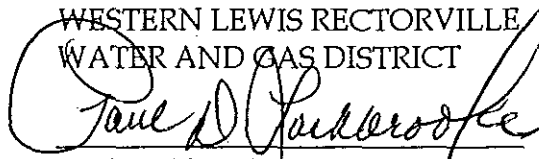
SELLER

CITY OF MAYSVILLE

James R. Litton, Mayor


ATTEST:

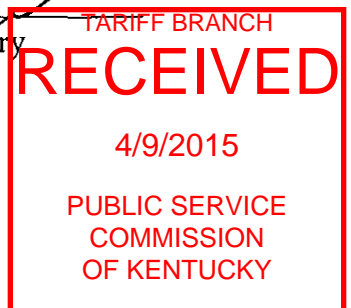

Sharon A. Swisher, City Clerk

PURCHASER

WESTERN LEWIS RECTORVILLE
WATER AND GAS DISTRICT

Paul Lashbrooke, Chairman

ATTEST:


Shelby Osborne, Secretary



COMMONWEALTH OF KENTUCKY
COUNTY OF MASON

The foregoing water purchase
Contract was acknowledged,
sworn and subscribed to before
me by James R. Litton and
Sharon A. Swisher, as Mayor and
City Clerk respectively, on
behalf of the City of
Maysville, this 2nd May 1995.

Dorothy M. Sullivan
Notary Public, State at Large
My commission expires 6-1-99

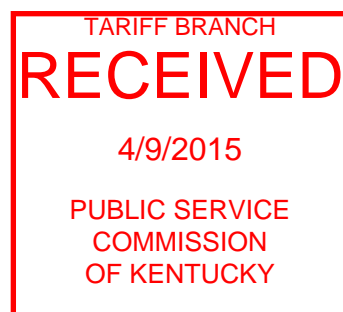
APPROVED:
U.S. DEPARTMENT OF AGRICULTURE

By Veron C. Burr
Title Chief CTSR

COMMONWEALTH OF KENTUCKY
COUNTY OF MASON

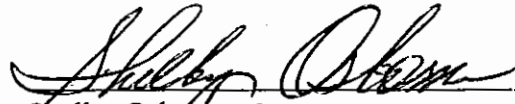
The foregoing water purchase
Contract was acknowledged,
sworn and subscribed to before
me by Paul Lashbrooke and
Shelby Osborne, as Chairman and
Secretary respectively, on
behalf of Western Lewis
Rectorville Water and Gas
District, this 9th May 1995.

Glenda Vire
Notary Public, State at Large
My commission expires 2-2-99

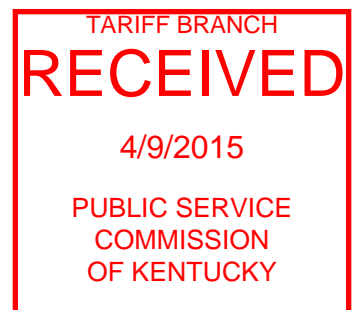


CERTIFICATE

The undersigned certifies that he is the duly appointed and acting Secretary of Western Lewis Rectorville Water and Gas District; that the Board of Commissioners of the Western Lewis Rectorville Water and Gas District at its regular meeting on 9th MAY 1995 adopted the attached Resolution approving a Water Purchase Contract with City of Maysville, Kentucky; and that said Resolution as attached hereto is in full force and effect, this 9th MAY 1995.


Shelby Osborne, Secretary
Western Lewis Rectorville Water
and Gas District

(SEAL)



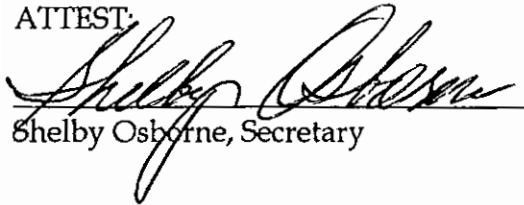
WESTERN LEWIS RECTORVILLE WATER AND GAS DISTRICT

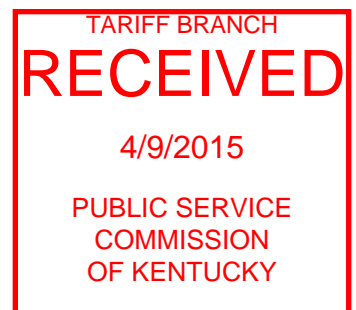
A RESOLUTION APPROVING CONTRACT FOR THE PURCHASE OF WATER FROM THE CITY OF MAYSVILLE, KENTUCKY

BE IT RESOLVED BY THE BOARD OF THE WESTERN LEWIS RECTORVILLE WATER AND GAS DISTRICT that a Contract with the City of Maysville to purchase water from the Maysville Utility Commission are hereby approved and the Chairman is authorized and directed to execute such Contract on behalf of Western Lewis Rectorville Water and Gas District.


Paul Lashbrooke, Chairman

ATTEST:


Shelby Osborne, Secretary



CERTIFICATE

The undersigned certifies that she is the duly appointed and acting City Clerk of the City of Maysville, Mason County, Kentucky; that the Board of Commissioners of the City of Maysville at its regular meeting on 9 March 1995 adopted the attached Resolution approving a Water Purchase Contract with Western Lewis Rectorville Water and Gas District; and that said Resolution as attached hereto is in full force and effect, this 8 May 1995.

Sharon A. Swisher
Sharon A. Swisher, City Clerk

(SEAL)

