

WATER USER AGREEMENT - SPECIAL CONTRACT

This agreement entered into between CITY OF GREENUP whose address is 1005 Walnut Street, Greenup, KY 41144, party of the FIRST PART, and the CANNONSBURG WATER DISTRICT. 1606 Cannonsburg Road, Ashland, KY 41102, party of the SECOND PART.

WHEREAS, the party of the FIRST PART desires to purchase water from the party of the SECOND PART, the party of the FIRST PART enters into this Water User Agreement as required by the BYLAWS of the party of the SECOND PART and as defined in 807 KAR 5:011, Tariffs, Section 13, Special Contracts.

NOW THEREOF, in consideration of the mutual covenants, promises and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows.

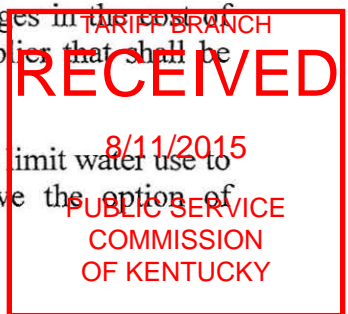
The party of the SECOND PART shall furnish, subject to the limitations set out in its BYLAWS and Rules and Regulations now in force or as hereafter amended, such quantity of water as the party of the FIRST PART may desire for domestic use in connection with property to be served by this Agreement, so long as such quantities are in a reasonable amount that will not interfere with SECOND PARTY'S ability to furnish water to its own customers. The property to be serviced with water from this agreement is known as the southeastern part of Greenup County generally known as the Route 207/503 area.

The location of water meters on the property will be determined by mutual agreement of the parties, which shall be nearest point to the water main of purchaser's property. The party of the SECOND PART shall continue to furnish and maintain a cutoff valve and a 6" water meter. The party of the SECOND PART shall have exclusive right to such cutoff valve and water meter. Any future location of connections and meters to this property shall be determined by the mutual agreement.

The party of the FIRST PART under this Agreement shall pay \$ 1.89 plus \$.43 (\$2.32) per 1000 gallons of water. The party of the FIRST PART shall not pay a minimum bill each month if water is not used.

The party of the FIRST PART shall agree to any further rate changes in the cost of purchased water incurred by Cannonsburg Water District from their supplier that shall be passed through to City of Greenup in accordance with 807 KAR 5:068.

In the event that the Cannonsburg Water District must allocate and/or limit water use to the City of Greenup for more than two (2) days, then they will have the option of reconnecting their own water system.



The failure of the party of the FIRST PART to pay water charges duly imposed shall result in the automatic imposition of the penalties in accordance with 807 KAR 5:006, Section 11)3) and the Cannonsburg District's tariff rates as approved by the Public Service Commission.

The party of the SECOND PART agrees that the rate paid by party of the FIRST PART for water shall never be more than the lowest rate charged any other customer on the system belonging to the party of the SECOND PART.

Both parties agree that this contract can be terminated at will by either party in their own discretion with thirty days written notice from the party desiring termination.

The party of the FIRST PART agrees to grant to the party of the SECOND PART, its successors and assigns, a perpetual easement in, over, under and upon land owned by the party of the FIRST PART with the right to erect, construct, install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove water pipelines and appurtenant facilities together with the right to utilize adjoining lands belonging to the party of the SECOND PART for the purpose of ingress and egress from the said lands, but only for purposes of installing and maintaining the connection between the two water systems, which is contemplated by this Agreement.

IN WITNESS WHEREOF, we have executed this Agreement the
12th day of August 2009.

WITNESS: _____

WATER USER: CITY OF GREENUP
(Party of the FIRST PART)

BY: Loraine Newlett

TITLE: Mayor

WITNESS: Shawn Hambrick

CANNONSBURG WATER DISTRICT

BY: James R. Cluckett
TITLE: Manager

