

KENTUCKY-AMERICAN WATER COMPANY

WATER MAIN EXTENSION AND DEPOSIT AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of May, 1985, by and between KENTUCKY-AMERICAN WATER COMPANY, hereinafter called the "WATER COMPANY" and City of Versailles

hereinafter called the "DEPOSITOR."

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W I T N E S S E T H:

In consideration of the reciprocal covenants herein contained and of each act done or to be performed by the DEPOSITOR and the WATER COMPANY pursuant to this Agreement, the parties hereby agree as follows:

FIRST: The WATER COMPANY contracts and agrees to lay the water main(s) and appurtenances within an easement or right-of-way as shown on the drawing attached hereto and made a part hereof, hereinafter called the "MAIN EXTENSION," described and located as follows:

Project "A": The installation of approximately 9,800 feet of 16-inch water main beginning at Military-Fort Springs-Pinkard Road and running in a westerly direction to the east boundary of Sycamore Estates Subdivision. This installation is shown in red on the attached drawing.

Project "B": The installation of approximately 5,200 feet of 16-inch water main starting at the terminus of Project "A" and running in a northerly direction approximately 2,100 feet thence in a westerly direction approximately 3,100 feet to Huntertown Road. The route of this Project "B" is to parallel a portion of the east and northern

boundaries of Sycamore Estates Subdivision. This installation is shown in green on the attached drawing.

Completed Projects "A" and "B" will make available a minimum of three (3) million gallons of potable water a day at Hunteertown Road.

SECOND: The WATER COMPANY shall construct the Main Extensions with reasonable diligence consistent with good business and sound construction practices and the availability of labor, equipment and materials, but the means of making such construction, the methods and materials used therein and the scheduling thereof shall be matters within the exclusive control and determination of the WATER COMPANY.

THIRD: The DEPOSITOR hereby agrees to deposit with the WATER COMPANY, upon written notice that it is prepared and able to go forward with the work provided in paragraph FIRST hereof, an amount in cash, equal to the cost of materials to be used in installing Project "A" and an amount in cash equal to fifty (50) percent of cost of materials to be used in installing Project "B". The balance of the cost of Project "A" and fifty (50) percent of the cost of Project "B" shall be paid for by DEPOSITOR as the Projects progress and as expenditures are made on a thirty (30) day basis, with payment due ten (10) days from date of billing by WATER COMPANY. The estimated cost of materials for Project "A" is \$151,000 dollars. The estimated cost of fifty (50) percent of materials for Project "B" is \$40,125 dollars. The total estimated installed cost of Project "A" is \$257,000 dollars and the total estimated installed cost of fifty (50) percent of Project "B" is \$68,500.

FOURTH: WATER COMPANY hereby agrees to refund the DEPOSITOR during the period of twenty (20) years from the actual date

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of the availability of service, an amount equal to ten (10) percent of the annual revenue derived from the original facility being served through this installation and known as the City of Versailles Water Main Extension. Also, during the first twenty (20) years after the date of the initial deposit, WATER COMPANY shall refund to the original DEPOSITOR for each additional bonafide new customer taking service through a service line directly connected to said Extension between its original beginning and its original terminus an amount equal to ten (10%) percent of the Company's revenue from such new customer; provided, however, that the total amount of refunds to be made by the WATER COMPANY to the DEPOSITOR under this or any other section of this Agreement shall not exceed the original deposit, such deposit being the limit of the WATER COMPANY's obligations for such refund hereunder, and all, or any part of the deposit not refunded within said twenty (20) year period shall become the property of the WATER COMPANY.

FIFTH: The parties hereto agree that no portion of the Deposit made hereunder will be subject to refund for further extensions of water mains from or beyond the Main Extension installed under this Agreement, or for customers taking service from such further extensions.

SIXTH: The Main Extensions and all pipes, mains, fire hydrants, meters and other equipment, apparatus and facilities of which said Main Extensions are composed shall be and remain the sole property of the WATER COMPANY, the WATER COMPANY having the responsibility for maintenance and repair of the same, and the DEPOSITOR shall have no right, title or interest in such Main Extension or any part hereof by reason of or on account of the DEPOSITOR having made the Deposit hereunder.

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SEVENTH: It is expressly understood and agreed that if the WATER COMPANY shall be delayed or prevented from installing the Main Extension and other facilities, if any, hereinabove described because of its failure to secure pipe or other construction materials, or because of strikes, unusual delay in transportation, unavoidable casualties or for any other causes beyond its control, such failure or delay in performance shall be excused, provided, however, if such failure or delay in performance shall extend for a period of more than one (1) year from the date hereof, the DEPOSITOR shall have the right to cancel and terminate this Agreement on thirty (30) days written notice to the WATER COMPANY, by registered mail and thereafter both parties shall be relieved of all duties and obligations arising hereunder.

EIGHTH: The parties hereto further agree that no customer now receiving water service from the City of Versailles will be permitted to receive service through a service line directly connected to said extension without the expressed written consent from the City.

NINTH: In addition to the aforescribed covenants and acts, it may also be desired by the parties hereto, for the WATER COMPANY to coordinate the construction of additional facilities for the DEPOSITOR. Then and in that event, such construction will be performed under a separate subsequent Agreement.

TENTH: All service rendered by WATER COMPANY pursuant to this Agreement, or otherwise to DEPOSITOR, shall be subject to the rates, rules and regulations of WATER COMPANY and the PUBLIC SERVICE COMMISSION of the COMMONWEALTH OF KENTUCKY as the same may change from time to time.

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ELEVENTH: The rights created by this Agreement shall insure to the benefit of, and the obligations created hereby shall be binding upon the successors and assigns of the parties hereto.

TWELFTH: This Agreement shall be valid and binding on the WATER COMPANY only when executed by its President or Vice President.

WITNESS:

KENTUCKY-AMERICAN WATER COMPANY

[Handwritten Signature]

BY: *R. A. Edens*
Vice President

WITNESS:

DEPOSITOR(S)

Reta B. Briffin

Reta B. Briffin MAY

City of Versailles

P. O. Box 625

Address

Versailles, Kentucky- 40383

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