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EXTENSION APPLICATION
FOR
NORTH SHELBY WATER COMPANY

APPLICANTS(S): Garry and Mary Sue Rutledge

ADDRESS: 1484 Anderson Lane, Shelbyville, KY 40065

NOTE: All Applicants must sign

AREA TO BE SERVED: new development along Anderson Lane

SERVICE APPLIED FOR: Distribution Line Extension: XXXXX
Distribution Flush Hydrant: _____
Distribution Upgrading: _____
Distribution Relocation: _____
Other (describe): _____

ESTIMATES: Estimated Water Line Size: 6-inch
Estimated Project Cost: \$17,114.00
Estimated Footage: 2349
Other : _____

EXHIBITS: Map or plat showing streets, lots, buildings, proposed service route, and easements, a copy of which is attached hereto and made a part hereof, and marked "Exhibit A" for identification

Other (describe) _____ Cost Estimate _____
CONSTRUCTION COMMENTS: North Shelby to construct 2551 LF;
Rutledge to pay for construction of 2349
L.F.

AGREEMENT:

1. Applicant applies for a water line extension upon the terms and conditions set forth in this contract.
2. Applicant agrees to provide without cost to the Company any properly signed recordable easements required by the Company for the installation and maintenance of the Company's water transmission or distribution lines, existing and future; provided such lines cross Applicant's real estate and are either adjacent and parallel to the right of way for a public roadway or are adjacent and parallel to applicant's property boundary.
3. The water facilities constructed hereunder shall at all times be owned and maintained by the Company. The Company shall have the right to extend the facilities without compensation to Applicant or the consent of Applicant. The Company shall have the right to make service connections thereto without the consent of the Applicant, and subject to the Company's construction rebate agreement as hereinafter provided.
4. Upon approval by the Company's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. The Applicant will, prior to construction, make a deposit to the Company's escrow construction account of the entire estimated project cost. If the actual construction cost exceeds the estimate, Applicant will promptly pay the difference. If the actual construction cost is less than the estimate, the Company will refund to Applicant any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.
5. Applicant acknowledges that the project cost will include the Company's reasonable supervision, engineering, legal, and accounting charges attributable to this project.

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at the time of their application for the meter connection, which is

6. All projects having estimated construction costs exceeding \$10,000.00, shall be bid unless waived by the Applicant. All smaller projects, and all projects where bidding is waived by the Applicant, will be constructed by the Company or the Company's contractor.

The Applicant: XXXX Waives the right to have this project bid
 If the estimated cost exceeds \$10,000.00, desires that this project be bid

7. Applicant grants Company a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the Company's specifications.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the Company's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant has granted Company all necessary and proper recorded easements.

10. The Company agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the Company or the Applicant may terminate this agreement by written notice to the other at which time the Company will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Company only when executed by its President. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

12. The Company shall determine the total cost of the water main extension (exclusive of the tap on fee). The cost shall be contributed equally by those Applicants desiring service on the main extension. Each Applicant (customer) will also be required to pay the Company's approved "Tap-on fee" for a meter connection to the main extension.

For a period of ten years after the project has been completed and placed in service, each additional customer directly connected to that portion of the water main constructed under this agreement (not including customer connections to further extensions or branches thereof) will be required to contribute to the cost of that extension based on a recomputation of each customer's contribution as set out above. The Company must refund to those customers that have previously contributed to the cost of each main extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. All customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on each main extension must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the Company. All refunds shall be made on an annual basis and without interest.

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13. If this application is for extension of water service to a subdivision (a subdivision is presumed by the existence of a plat), the Applicant agrees that no refund will be paid for any customer located within that subdivision, it being expected that the subdivider will recoup the cost of this extension in the sale of the subdivision lots. The Applicant further agrees that the construction contribution for each additional customer not located within said subdivision, will be computed using the number of planned customers in that subdivision. (For example, if there are 19 single-family lots in the subdivision and a new customer across the road but not in the subdivision applies for service from the water main extension, the construction contribution from that new customer will be calculated by dividing the original construction cost by 20.)

14. If the Company has contributed company funds to assist in this extension, each Applicant hereby assigns to the Company that Applicant's construction rebate refund to the extent necessary to first repay the Company's construction contribution.

15. If Applicant's account becomes delinquent, Applicant agrees to pay the Company's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

16. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to Company at P.O. Box 97, Bagdad, Kentucky 40003, and to Applicant at 1484 Anderson Lane Shelbyville, KY 40065

17. By signature hereon, Applicant acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 9/16/98

APPLICANT: Garry & Mary Sue Rutledge
By: Garry L. Rutledge Mary Sue Rutledge
Title: Landowner
Additional Applicants, if any (sign on back if necessary)

Date: _____

NORTH SHELBY WATER COMPANY
BY: Duncan LeCompte
Duncan LeCompte, President

* * *

FOR COMPANY USE ONLY:

Received this: _____ day of: _____, 19: _____
from Applicant for Escrow Construction _____
Completed Cost of Project _____
Balance due from (to) Applicant _____

Completed Footage of Project _____
Company Contribution (if any) _____

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