

TERRITORIAL AGREEMENT

THIS AGREEMENT made and entered into this 13th day of July, 1992, in Frankfort, Franklin County, Kentucky, by and between Electric and Water Plant Board of the City of Frankfort, Kentucky, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the U.S. 60 Water District of Shelby and Franklin Counties, Kentucky, a water district created and existing under the laws of the State of Kentucky, hereinafter referred to as "District";

WHEREAS, the Board has recently constructed a water storage tank on the Pea Ridge Road in Franklin County, Kentucky; and

WHEREAS, the Board and the District wish to establish, by agreement, the water service area of each in the vicinity of the newly constructed water storage tank; and

WHEREAS, the Board and the District intend to enter into a long term water supply agreement wherein the Board shall supply water to the District; and

WHEREAS, the Board and the District wish to establish the territorial boundaries of each in this vicinity for the benefit of the customers.

WITNESSETH, NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties do now agree as follows:

1. The Board and the District agree that the Board



shall have the right to provide water to those customers that exist now or may in the future exist within the territorial boundaries hereinafter described and as more particularly described and reflected upon the attached territorial map which is incorporated herein and made a part hereof.

2. The parties hereto agree that the Eastern and Northern territorial boundary of the District shall be revised as follows:

Beginning at a point in the center of U.S. Highway 60 in the center of South Benson Creek; thence northwesterly to the intersection with KY Highway 1665 at the mean sea level elevation of 750 feet, thence with said 750 feet contour line in a northerly direction generally along the east side of said KY 1665 to a point said point being 1100 feet east of the centerline of KY 1665 and 1300 feet south of the centerline of Pea Ridge Road; thence north 800 feet to a point in the west property line of Dorothy Kirk, thence with said property line to the center of Pea Ridge Road, thence north to the center of Benson Creek; thence west along Benson Creek and North Benson creek to the Franklin-Shelby County line; thence south along said county line to a point one mile north of U.S. Highway 60; thence along the original boundary (May 11, 1961) to the point of beginning.

3. In the event of any discrepancy between the above territorial description and the attached territorial map that has been made a part hereof then the territorial map shall be controlling as to the parties respective water service area.

4. The parties hereto agree that this territorial agreement with attachments shall be filed with all necessary governmental agencies.

5. This territorial agreement constitutes the entire territorial agreement between the Board and the District and

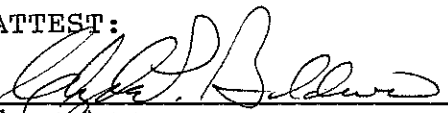


prior negotiations and understandings are hereby superseded by this agreement. No amendment or alteration to this agreement shall be valid or binding unless reduced in writing and signed by both parties.

6. This agreement shall be governed by the laws of the Commonwealth of Kentucky and in the event of litigation, the same shall be brought in the Franklin Circuit Court of the Commonwealth of Kentucky.

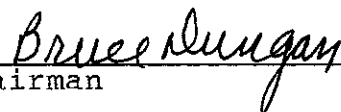
IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers on this the day and year first above written.

ATTEST:


Secretary

ELECTRIC AND WATER PLANT BOARD
OF THE CITY OF FRANKFORT, KY

BY:


Chairman

ATTEST:


Secretary

U.S. 60 WATER DISTRICT OF
SHELBY & FRANKLIN COUNTIES, KY

BY:


Chairman

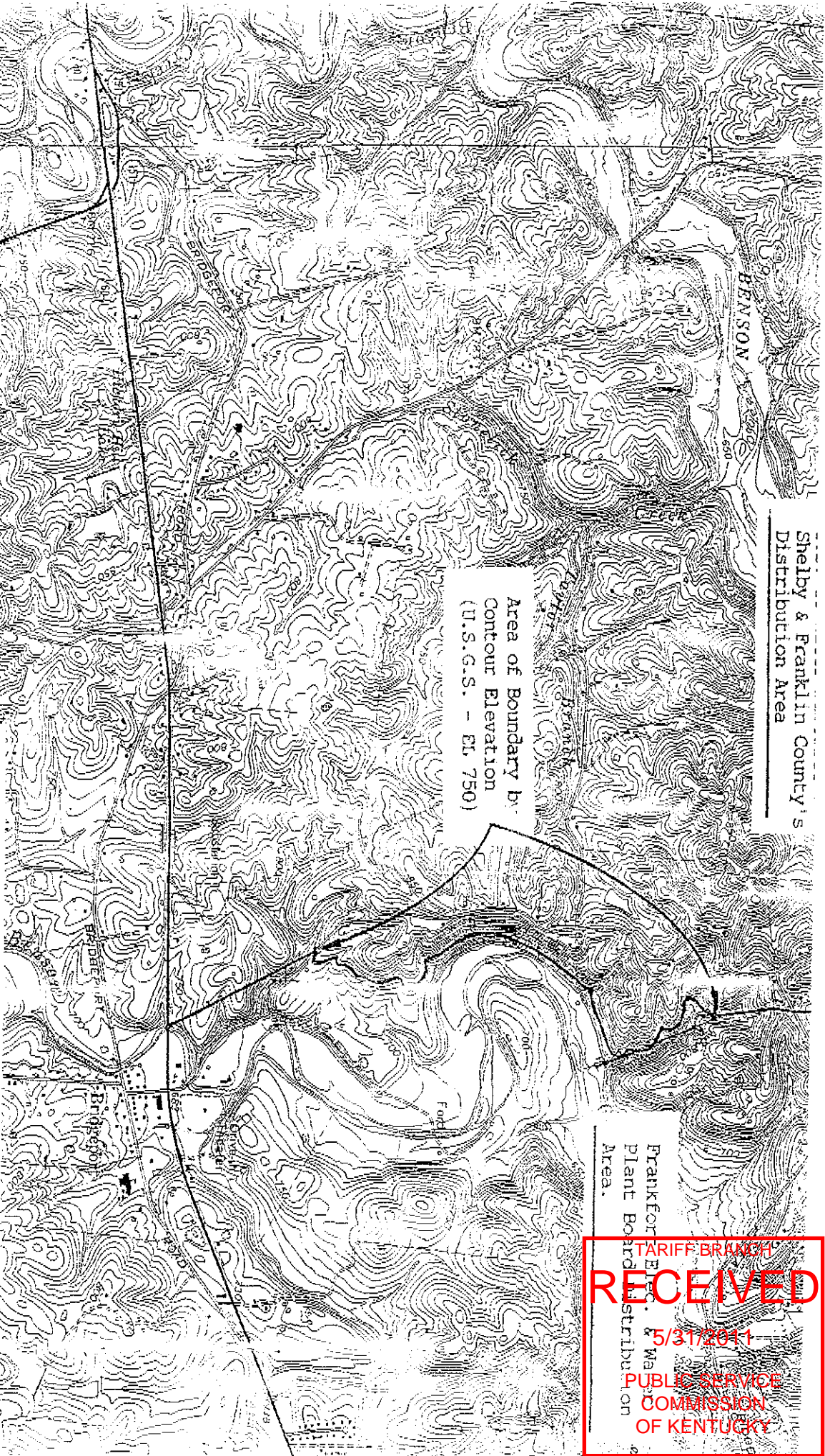


Shelby & Franklin County's
Distribution Area

Area of Boundary by
Contour Elevation
(U.S.G.S. - Et. 750)

Frankfort Electric & Water
Plant Board
Distribution
Area.

TARIFF BRANCH
RECEIVED
5/31/2011
PUBLIC SERVICE
COMMISSION
OF KENTUCKY



FRANKFORT ELECTRIC & WATER PLANT BOARD			
FRANKFORT, KY.			
Frankfort Electric & Water Pl. Bd. U.S. 60 Water District Distribution Area			
RE DATE	BY	DRAWN BY	APPROVED BY
		NAME <i>AG</i>	NAME
		DATE <i>5-21-92</i>	DATE
MAP NO.		SCALE 1" = 200'	WORK ORDER NO.