THIS AGREEMENT made and entered into by and between Western Lewis-Kectorville Water & Gas District, a public utility operating under the Public Service Commission of Kentucky, party of the first part, and North Village Estates, Inc., incorporated under the laws of the Commonwealth of Kentucky, party of the second part;

WITNESSETH: That for and in consideration hereinafter set out the first party contracts and agrees to sell water and gas to the customers, both within the boundries of the proposed subdivision and the adjoining lands, upon the following terms and conditions, to-wit:

(1) The said second party shall plan, engineer and construct water and gas lines throughout its subdivision, North Village Estates, located on Ky. Highway No. 57, immediately north of Tollesboro, Lewis County, Kentucky, and the lands leading to and immediately adjacent thereto at no expense or cost whatsoever to the said first party. The water line shall be a 4 inch pipe and connect to the first party's 4 inch line and extend therefrom a distance of 1,941 feet along the east right of way of Ky. Highway 57. The line shall then run east along the northern boundry of the said subdivision and have two (2) 750 lines extending southwardly to the southern edge of the subdivision. The water lines shall be 4 inches throughout. The gas line shall be a 2 inch pipe and shall connect with the first party's line at the Blount boundry, thus making the gas line identical in length except for the first 400 feet. There shall not be any additions made to the water and gas lines without the consent of the first party. Upon completion title and ownership of said lines shall vest in and belong to the first party who shall maintain and operate the lines in the same manner as those lines now in operation. The second party further agrees that it will, when this agreement is approved by the Public Service Commission of Kentucky, prepare and submit to the Public Service Commission and the first party blue prints

PUBLIC SERVICE COMMISSION

ENGINEERING DIVISION

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JAMES E. CLARKSON ATTORNEY AT LAW COURT STREET MAYSVILLE, KENTUCKY showing in detail all the plans and specifications of the proposed gas and water lines, and from said plans and specifications, rights of-ways will be executed to the first party for the maintenance, extensions and tapons of said lines.

(2) Immediately upon completion of construction of said lines, the second party shall present all vouchers and records of expenses incurred in the construction of said lines, and from these records, the total cost of the construction shall be ascertained. The first party shall then execute a promissory note in that amount bearing interest at the rate of 6 per cent per annum. The second party may employ any approved engineer and contractor for the construction of said lines and the first party shall have the right to have said lines inspected during construction, both as to materials and workmenship, and the second party agrees that said lines will be constructed of materials acceptable to the first party. Meters and other materials shall be similar to those now being used by the first party, and no construction shall begin until first party has approved those materials to be used and easements granted.

(3) Second party shall, when constructing the lines, install all fittings and risers necessary to make a connection or tapon and this expense shall be included in the total construction costs. The second party will also pay for the costs of gas and water meters and the labor costs incurred in installing said meters, and all these costs will be paid by the second party and not included in the construction costs.

(4) The first party shall keep an accurate record of all income from those customers on the lines constructed by the second party, and at the end of each year, or sooner if they desire, pay unto the second party a sum equal to 75 per cent of all water income and 30 per cent of all gas income, exclusive of sales tax, which amounts shall be applied toward the payment of principal

JAMES E. CLARKSON ATTORNEY AT LAW COURT STREET MAYSVILLE, KENTUCKY and interest of said promissory note. The note will be cancelled when paid in full, however, there shall be no payments made after the 10th full year, and if not paid by that time the note, shall be indorsed "paid in full" and cancelled, together with any balance due thereon. Only income from the lines herein being constructed shall be applied toward payment of principal and interest herein. (5) Gas and water rates for the customers along the

new lines shall be the same as those charged all other customers and the first party shall service these customers the same as those on the existing lines. Tapons to those customers outside the proposed subdivision of the second party will be made by the first party and the regular rates will be charged. Tapons made within the subdivision will be made by the second party.

(6) It is understood and agreed that the second party plans to initially construct only those lines running northwardly along Ky. 57 and eastwardly along the northern side of the subdivision. If and when additional lines are constructed, the parties hereto must agree and enter into a separate contract covering such construction.

(7) It is further understood and agreed that this contract is subject to the approval of the Public Service Commission of Kentucky, and in the event there are any additions, amendments, alterations, or depletions then a new contract shall be prepared or the said changes prepared and attached hereto.

WITNESS the signatures of Joe Sherman, Jr. and Martin L. Voiers, Chairman and Secretary respectfully, of the Western Lewis-Rectorville Water and Gas District, party of the first part, and Chelsea Merritt, Newell E. Rudder and Flora J. Rudder, incorporators of North Village Estates, Inc., party of the second part, this ______ day of November, 1966.

WESTERN LEWIS-RECTORVILLE WATER AND GAS DISTRICT By: CHATRMAN -cer SECRETARY

NORTH VILLAGE ESTATES, INC. By: <u>Maea</u> CHELSEA MERRITT, PRESIDENT FLOHA J. RUDDER, VICE-PRES. NEWELL E. RUDDER, SECRETARY & TREASURER

JAMES E. CLARKSON ATTORNEY AT LAW COURT STREET MAYSVILLE, KENTUCKY