



TANK MAINTENANCE AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of March, 2010, by and between Prestonsburg City's Utilities Commission (hereinafter "Prestonsburg") and Martin County Water District (hereinafter "District"), and (collectively, as the "Parties" or individually as each "Party").

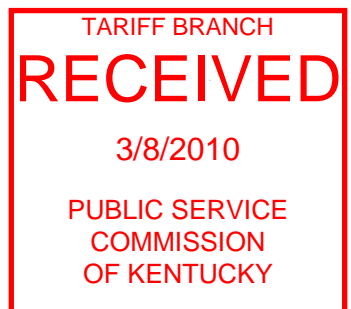
RECITALS

WHEREAS, the Parties have entered into that certain Interlocal Cooperation Agreement for the Development of Utility Infrastructure dated the 15th day of January, 1998, recorded in Misc. Book 6, Page 12, in the office of the Floyd County Clerk, Floyd County, Kentucky (hereinafter the "Interlocal Agreement");

WHEREAS, the Parties, pursuant to and consistent with the Interlocal Agreement, entered into this Joint Operation Agreement dated July 3, 2000 (hereinafter the "Joint Operation Agreement") to develop the necessary water transmission lines, pumping station, tanks, and related appurtenances to jointly provide water services to the Big Sandy Federal Prison ("Federal Prison") constructed by the Federal Bureau of Prisons ("Bureau") at the Honey Branch Park ("Industrial Park") in Martin County, Kentucky;

WHEREAS, pursuant to Section 3 of the Joint Operation Agreement, the District constructed, owns and operates a water storage tank of approximately 1,040,000 gallons capacity (hereinafter the "Honey Branch Storage Tank");

WHEREAS, pursuant to Section 10 of the Joint Operation Agreement, each Party agreed to provide fifty percent (50%) "... of the Federal Prison's water requirements on a daily and monthly basis,";



WHEREAS, the Parties agreed, pursuant to Section 12 of the Joint Operations Agreement, that “[a]dequate water will be maintained in the Honey Branch Storage Tank at all times to supply both domestic water requirements and maximum fire protection for the Federal Prison”;

WHEREAS, from time-to-time, the quality of the water delivered to the Federal Prison has failed to satisfy the Federal Prison’s domestic water requirements;

WHEREAS, Prestonsburg has proposed to install a Pax Water Technologies Mixing System in the Honey Branch Storage Tank to add in mixing performance; maintain consistent water quality; eliminate water stratification and stagnation; minimize residual loss; and prevent conditions favorable to nitrification;

NOW, THEREFORE, contingent upon approval of the Kentucky Public Service Commission, if required, the Parties hereto, for and in consideration of the covenants of this Agreement set out, kept and performed, hereby agree as follows:

1. By and through its subcontractor, Utility Service Company, Prestonsburg shall install a Pax Water Technologies Mixing System in the Honey Branch Storage Tank, at Prestonsburg’s sole cost.
2. Prestonsburg shall place the Honey Branch Storage Tank under contract with Utility Service Company for tank management and maintenance, including routine inspection and cleaning at no cost to the District.
3. If the District transfers ownership, or responsibility for the management and/or operation of the Honey Branch Storage Tank to a third party, it shall first reimburse Prestonsburg for the costs related to the installation of the Pax Water



Technologies Mixing System, and for costs related to tank management and maintenance, including routine inspections and cleaning incurred by Prestonsburg.

4. This Agreement, an amendment of the Joint Operation Agreement, is entered into pursuant to Section 25(b) of the Joint Operation Agreement.

5. The Parties hereto in all other respects approves, ratifies and confirms the remaining terms of the Joint Operation Agreement.

This Agreement is entered into and made as of the day and year first above written, and shall be effective as of that date without regard to the fact that execution hereof by the Parties shall have been effected at the same time or at other times.

MARTIN COUNTY WATER DISTRICT

BY: Joe Hammond By Maurice Mill
ITS: Supt. Asst. Dist. Super.

PRESTONSBURG CITY'S UTILITIES
COMMISSION

BY: [Signature]
DAVID M. ELLIS, SUPERINTENDENT

