

WATER PURCHASE CONTRACT

THIS CONTRACT FOR THE SALE AND PURCHASE OF WATER is made and entered into this the 10th day of May, 2010, by and between THE RATTLESNAKE RIDGE WATER DISTRICT, a water district created and existing under the Laws of the Commonwealth of Kentucky, hereinafter referred to as "Seller", and the VANCEBURG UTILITIES SYSTEM, a municipality, hereinafter referred to as "Purchaser";

WITNESSETH:

In consideration of the mutual agreements herein and contingent upon approval by Commonwealth of Kentucky Public Service Commission and the United States Department of Agriculture Rural Development:

1. Seller agrees to furnish the Purchaser, at the point of delivery hereinafter specified, during the term of this Contract, potable, treated water at times and in quantities to be determined in Seller's sole and absolute discretion. A total of 100,000 gallons per month, unless Seller has water available in excess of the quantities necessary to serve Seller's existing and future customers.
2. The water made available under this Agreement is only for use by retail customers of the Purchaser and may not be sold on a wholesale basis to any other utility.
3. Seller has no obligation to furnish satisfactory quantity or pressure for any purpose.
4. The Purchaser will keep Seller advised of all significant events which are likely to significantly affect the Purchaser's level of water purchased from the Seller.
5. The Master Meter(s) shall be read on the 15th day of each month. The Purchaser has the right to be present at each reading. The Purchaser shall pay the rate of \$2.96 per 1,000 gallons (plus any taxes, fees, etc., which are required by law) to which payment is to be received by the 10th of the following month.

6. The Purchaser shall be notified in writing at least 30 days prior to any rate increase approved by the PUBLIC SERVICE COMMISSION.
7. The water will be furnished to the Purchaser through the following:
 - A. One 2" compound Sensus radio read meter with test port, meter must read in gallons, located at the junction of Walnut Grove Road and Old Trace Road.

The master meter, apparatuses, and all connections (including water lines) to connect the Purchaser's system to the Seller's system, shall be constructed at Purchaser's sole cost and expense. After completion, ownership of all Master Meter items will revert to the Seller.

8. Even if Seller has given its consent, Seller shall have no obligation to continue providing water and may terminate or reduce service with a 60 day prior notice to Purchaser.
9. This Contract may be cancelled by either party at any time with a 60 day notice.
10. This Contract constitutes the sole and complete agreement as to the sale and purchase of water. There are no oral or other written agreements between the parties relating to the sale and purchase of water.

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

THE RATTLESNAKE RIDGE WATER DISTRICT

Bill Gilbert
CHAIRMAN

ATTEST:

Leah Campbell
SECRETARY

VANCEBURG UTILITIES SYSTEM

Gayle Massie
GAYLE MASSIE
CHAIRWOMAN

ATTEST:

SECRETARY