

TEMPORARY EMERGENCY WATER PURCHASE CONTRACT

THIS CONTRACT FOR THE SALE AND PURCHASE OF WATER is made and entered into this the 3rd day of November, 2008, 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 CITY OF OLIVE HILL, a municipality, hereinafter referred to as "Purchaser";

WITNESSETH:

In consideration of the mutual agreements herein:

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. It is anticipated that there will be at least 2,000,000 gallons per month of water available, but Seller makes no guarantee of same; Seller must insure that it has water available to meet its own existing and future customers' needs.
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 or other person or party.
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 amount of water purchased from the Seller.
5. The Master Meter(s) shall be read on the 15th day of each month or the next business day immediately following the 15th if same falls on a weekend or holiday. The Purchaser has the right to be present at each reading, upon advance notice to Seller. 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 no later than 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:

A. One three inch (master) meter located at Three Pine Road

B. One three inch (master) meter at ST Route 182

C. One three inch (master) meter at Corey Rd and ST Route 182

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. Water will be available only for emergency purposes and only after Seller has given its consent, which consent shall be in Seller's sole and absolute discretion.

8. Even if Seller has given its consent, Seller shall have no obligation to continue providing water and may terminate or reduce service at any time in Seller's sole and absolute discretion, without prior notice to Purchaser.

9. This Contract may be cancelled by either party at any time.

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:

Larry Carroll
SECRETARY

THE CITY OF OLIVE HILL

Benny Sparks
MAYOR

ATTEST:

Chen James, city clerk/treas.
SECRETARY