

MARTIN COUNTY UTILITY BOARD

387 East Main Street Suite 140
INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 Fax

June 24, 2021

Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfurt, KY 40602-0615

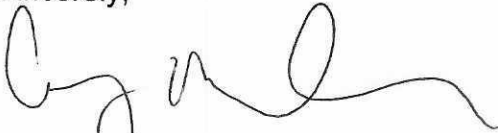
Re: Responses to Commission's Third Request for Information; Case No. 2021-00154

Dear Ms. Bridwell:

Attached are Martin County Water District's responses to the Commission Staff's Third Request for Information to Martin County Water District dated June 9, 2021.

We look forward to discussing the information with you.

Sincerely,



Craig Miller
Alliance Water Resources, Inc.
Division Manager

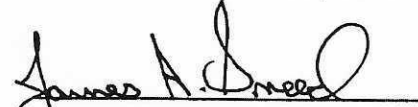
cc: Jimmy Don Kerr, Martin County Water District
James A. Sneed, AWR
Ann Perkins, AWR
Brian Cumbo

Responses of Martin County Water District (Martin District) to the Kentucky Public Service Commission's (PSC's) **Third Request for Information** to Martin County Water District dated June 9, 2021; Case No. 2021-00154

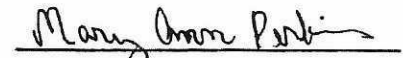
Certifications

The following individuals prepared or supervised the preparation of the responses indicated on behalf of Martin District. The responses are true and accurate to the best of the indicated person's knowledge, information and belief after a reasonable inquiry.

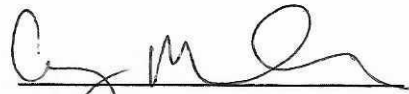
James A. Sneed, VP/Director of Operations
Alliance Water Resources, Inc.
Responses to PSC requests # 1, 8-10


Signature

Mary Ann J. Perkins, VP/Director of Finance & Administration
Alliance Water Resources, Inc.
Responses to PSC requests # 2, 4, 5, 6a1, 6a3, 7, 12


Signature

Craig Miller, Division Manager
Alliance Water Resources, Inc.
Responses to PSC requests # 3, 6a2, 6b, 11, 13


Signature

Request 1

1. State the last time Martin District performed a cost of service study (COSS) to review the appropriateness of its current rates and rate design.

The last cost of service study (COSS) was performed in 2017 using the 2016 base year. The COSS was submitted to the Board in January of 2018 by Blue Water Kentucky and the Kentucky Rural Water Association. See Attachment 1.

a. Explain whether any material changes to Martin District's system would cause a new COSS to be prepared since the last time Martin District completed one.

No material changes have occurred which would cause the need for a new COSS.

b. If there have been no material changes to Martin District's system, explain when Martin District anticipates completing a new COSS.

It is anticipated that after a full year of data when the rates have been adequately set to meet debt coverage requirements that a new COSS will be performed.

c. Provide a copy of the most recent COSS that has been performed for Martin District's system in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

The final version of the Excel spreadsheet for the COSS referenced above is not currently in the possession of the District. After receipt of this Third Request from the PSC, Martin District requested a copy from BlueWater Kentucky and KRWA. A draft version (i.e., not the final version) was available and is included as Attachment 1c.

Request 2

2.

a. State whether Martin District has selected an auditor to perform Martin District's annual audit for the calendar year ended December 31, 2021.

Yes, the Board approved an audit firm to conduct the audit for the calendar year ending December 31, 2021.

b. If the response to 2.a. can be confirmed, provide the name of the auditing firm Martin District has selected.

Wade Stables

c. Provide any estimates that have been provided to Martin District to perform the audit for 2021.

Without single audit requirement \$7,985

Single audit additional charge \$2,725

Request 3

3. Provide the current amount and supporting invoice or rental contract for the monthly rent Martin District must pay to maintain its billing office in the Collier Center.

See Attachment 3

Request 4

4. Provide the amount and supporting invoices for any capital expenditures paid by Martin District in the test period.

Capital expenditures are listed in Attachment 4, the list of construction in progress items. These capital expenditures were financed using grant funds administered by Big Sandy ADD.

Request 5

5. State whether and explain why Martin District should or should not record, as an asset, the amounts expended by Alliance to purchase the INCODE software.

INCODE software is a Software as a Service (SaaS) monthly subscription that Alliance has included in our contract fee. There is no asset for the District to record.

Request 6

Refer to Martin District's filing of May 20, 2021, revised Schedule of Adjusted Operations that appears on page 2 of the PDF.

a. The schedule reflects Bad Debt Expense of \$118,530.

(1) Provide the total of any amounts included in Bad Debt Expense that were written off as a result of accounts receivable deemed uncollectible from a prior period.

\$59,013.52 was written off in 2020. Adjustments of \$59,516.48 were posted to the Allowance for Bad Debt to adjust the year end accounts receivable balance to what is closer to what will be collected in 2021.

(2) State whether this is the expected level of bad debt that will continue to be expensed in future periods for a calendar year.

Bad debt write off will fluctuate depending upon current local economic conditions.

(3) The percentage of bad debt is approximately 5.5 percent of Martin District's Sales of Water for the test year. Confirm whether this level of bad debt expense is typical for a water utility.

Bad debt was not processed/posted/booked for the District's 2018 and 2019 years. 2019 only had \$1,731 posted in the audit. FY 2020 contains and 2021 will contain adjustments that will not be the norm for the District going forward.

Alliance's clients' 5-year average for bad debt is 0.17%. Martin District's 5-year average is 2.77%. Martin District's percentage of bad debt is atypical as compared to our other current clients.

b. Martin District reported \$320,969 for Purchased Power for the test period. Reconcile this amount with the amount reported in Martin District's Application, Attachment 4(g), page 5, entitled "Water Treatment Production Costs," which reflects a total energy cost of \$294,668 for 2020.

The Martin District's reported amount for Purchased Power for the test period (\$320,969) is the total sum of all electric bills paid by Martin District including power for the water plant, raw water intake, booster stations and tanks. The amount used in Attachment 4(g), page 5, entitled "Water Treatment Production Costs" (\$294,668) is specifically for production – the total for the water plant and raw water intake only. It excludes all distribution-related expenses such as booster stations and tanks.

Request 7

7. Refer to the Excel spreadsheet filed in response to Commission Staff's First Request (Staff's First Request), Item 1.a., entitled "05.18.10_Excel_1a1_2020_MCW_Detail_GL_(2020).xls." Line 4833 of the spreadsheet includes a debit entry to Account 6030, Repairs & Maintenance, in the amount of \$3,810.58 with a note that the purpose of the entry was to "Adjust Inventory to Actual." State the reason for the entry and whether this will be a recurring annual expense to Martin District.

Inventory had not been verified/counted/adjusted since the 2017 audit was completed. An adjustment to actual, after inventory was actually counted, at 12/31/2020 was necessary. An annual adjustment of some amount is not uncommon and, when needed, will be made annually.

Request 8

8. Refer to the response to Staff's First Request, Item 5.a. Explain, in detail, specifically how Martin District's proposed rates were calculated using the factors provided in its response.

The proposed rates were established using the excel spreadsheet included as "Attachment 8" with 6 tabs listed below (everything is unprotected for ease of PSC staff usage and review):

- *Cash Needs Summary21*
- *Revenues21*
- *Expenses21*
- *DebtService21*
- *CapitalItems21*
- *Rates 2021 Budget*

Once the revenue and expenses had been set for 2021 – using all available information. The revenue needed to meet the 1.2 debt coverage requirement was determined. The Rates 2021 Budget tab was then manipulated in the following manor:

- *\$4 or 12% increase on the base residential rate (2,000 gallons included)*
- *All increased meter sizes with increased gallons included went up proportionally.*
 - *Example \$2/1,000 gallons included so a 2" meter which includes 20,000 gallons was increased \$40.*
- *Per thousand usage fee after base was increased across the board by 11%.*
- *Again, based on how close the budget is and the critical need – the best approach was to use the base rate for setting the budget a 12 % increase could have been used as well for the usage charge – but every effort was made to attempt to minimize the impact while ensuring the needed revenue was met.*

Request 9

9. Explain why an across the board percentage increase in Martin District's current rates would not be a more equitable way of increasing rates to its customers.

While an across-the-board percentage may seem more equitable, the base rate increase is only slightly higher at 12% than the usage at 11%. This is based on the facts that the increase requested is the minimum amount to meet the legally required debt coverage and water usage is more variable than base rate income. The base rate is slightly higher than the usage rate to provide a somewhat more predictable stream of revenue.

Request 10

10. Provide the cost justification for all nonrecurring charges listed in Martin District's tariff.

The nonrecurring charges listed in Attachment 10 were not evaluated at this time. They were recently approved by the PSC in 2018 and were left as is for the purpose of this alternate rate request. When a full COSS is conducted, as discussed in the answer to Question 1.b, the nonrecurring costs can be evaluated.

Request 11

11. Refer to the response to Staff's First Request, Item 8.a. Martin District states that pro forma revenues from water sales are \$2,539,382.28 after reducing test period revenues by \$175,217.38 due to billing adjustments, and that test period revenues are \$2,364,164.90. Clarify that test period revenues and pro forma revenues in Martin District's response should be \$2,539,382.28 and \$2,364,164.90, respectively.

Based on the billing analysis during the test period, but using the proposed rates, the proposed revenue would be \$2,539,382.28. Subtracting the billing adjustments of \$175,217.38, the total proposed revenue would be \$2,364,164.90.

Request 12

12. Refer to the response to Staff's First Request, Items 8 and 9.a. Provide a billing analysis, using the INCODE billing software, for the six-month period from January 2021 to June 2021. Provide the information in the same format that was given in response to item 8 of Staff's First Request.

See Attachment 12.

Request 13

13. During the hearing regarding the emergency rate relief requests on May 27, 2021, Craig Miller testified that Martin District was performing total system flushing two times per year per AWWA standards.

a. Confirm Martin District is flushing its whole system pursuant to the AWWA guidelines as testified to by Craig Miller.

For clarification, the District was still developing and establishing proper procedures for system flushing in 2020. On two separate occasions, the District flushed dead end main lines and other portions of the system. The District has not yet performed major flushing in 2021. Alliance Water Resources refers to AWWA guidelines for flushing, and it is the intent of the District to apply these standards where feasible.

b. Confirm that per 807 KAR 5:066, Section 8(2), mains with dead ends are being flushed at least once each year pursuant to the policy testified to by Craig Miller.

Confirmed. Mains with dead ends were flushed at least once in 2020 and will be flushed at least once in 2021 and in future years per 807 KAR 5:066.

c. State whether there is a requirement to flush Martin District's system in its entirety, or if this is a standard practice as recommended by AWWA.

There is no known requirement. It is a recommended practice.

d. In consideration of Martin District's water loss of approximately 65 to 75 percent, explain why the practice of performing a total system flushing two times a year is reasonable.

Alliance is training its staff in industry best practices while also recognizing the critical need to manage Martin District's high water loss. The ongoing goal is to flush enough to meet regulatory requirements and maintain high water quality while at the same time minimizing water loss.

Martin County Water District

Attachment 1

Water Rate Presentation to the Martin County Water District January 4, 2018



Presentation By Rate Study Presentation

- Alan Vilines, Kentucky Rural Water
- Gary Larimore, Kentucky Rural Water
- Greg Heitzman, BlueWater Kentucky



2016 Bass Rate Analysis

Resource Documents:

- 2016 PSC Annual Report
- 2016 Revenue and Expenses
- 2016 Water Sales
- 2016 Water Loss Rate



2017 Activities Impacting Analysis

- 2017 Accounts Payable Backlog
- 2017 ARC Grant - \$1.2 Million
- 2017 Water Loss Reduction Efforts
- 2017 Water Treatment Changes
- 2017 Water Consumption Decline
- 2017 Airport Tank Lease & Revenue



Proforma Revenue Adjustments

- \$34,146 for actual water sales Jan 1 to Dec 31, 2016
- (\$91,056) for 4.76% declining water sales experienced Jan to July 2016
- (\$62,792) less in water resales to Prestonsburg per Tank lease Agreement, beginning 2018
- \$180,000 from Tank Lease Agreement, beginning 2018
- Total Revenue Adjustments = \$60,298



Proforma Expense Adjustments

- (\$6,360) for labor to install services (added to depreciation account)
- (\$24,603) for water not purchased from Prestonsburg per Lease Agreement, beginning 2018
- (\$21,640) adjustment for power not used for Airport Tank Area served by Prestonsburg per Lease Agreement, beginning 2018
- (\$84,421) for power for water loss assumption (63% to 39%)
- (\$27,611) for chemicals for water loss assumption (63% to 39%)
- (\$17,640) for service installation materials (add to depreciation account)
- (\$87,953) for depreciation expense
- Total Expense Adjustments = (\$270,228)



Alternatives

Alternative 1 – Base Rate Increase of 49.47% to generate additional \$901,399 in annual revenue

Alternative 2 – Base Rate Increase of 40.51% to generate additional \$738,212 plus a monthly surcharge to fund a 5 year loan for the operational deficit of \$733,903 with:

- a \$3.87 monthly surcharge per customer
- or
- a \$0.85 per 1,000 gallons of water consumption



Rate Alternate #1

SCHEDULE OF ADJUSTED OPERATIONS - ALTERNATIVE 1 Martin County Water District

	Test Year	Adjustments	Ref.	Proforma
Operating Revenues				
Sales of Water				
Unmetered Water Sales	\$ 304			\$ 304
Metered Water Sales	1,878,795	\$ 34,146	a.	1,821,885
		(91,056)	b.	-
		(62,792)	c.	-
Sales for Resale	62,792			
Other Water Revenues:				
Forfeited Discounts		72,155	d.	72,155
Misc. Service Revenues	28,253			28,253
Other Revenues	77,813	(72,155)	d.	
		180,000	e.	185,658
Total Operating Revenues	\$ 2,047,957	60,298		\$ 2,108,255
Operating Expenses				
Operation and Maintenance				
Salaries and Wages - Employees	\$ 555,390	(6,360)	f.	\$ 549,030
Salaries and Wages - Officers	0			0
Employee Pensions and Benefits	296,755			296,755
Purchased Water	24,603	(24,603)	g.	-
Purchased Power	373,353	(21,640)	h.	351,713
		(84,421)	i.	267,292
Chemicals	115,033	(27,611)	j.	87,422
Materials and Supplies	156,069	(17,640)	f.	138,429
Contractual Services - Acct. & Legal	44,844			44,844
Contractual Services - Water Testing	14,709			14,709
Contractual Services - Other	154,668			154,668
Rental of Bldg./Real Property	7,898			7,898
Rental of Equipment	51,314			51,314
Transportation Expenses	75,334			75,334
Insurance - Vehicle & Liability	33,121			33,121
Insurance - Worker's Compensation	28,737			28,737
Insurance - Other	7,257			7,257
Advertising	0			-
Other	3,000			3,000
Bad Debt Expense	67,543			67,543
Miscellaneous Expenses	40,341			40,341
Total Operation and Mnt. Expenses	2,049,969	(182,275)		1,867,694
Depreciation Expense	771,703	(87,953)	j.	683,750
Amortization Expense	0			0
Taxes Other Than Income	46,496			46,496
Total Operating Expenses	\$ 2,868,168	\$(270,228)		\$ 2,597,940
Net Utility Operating Income	\$ (820,211)	\$ 330,526		\$ (489,685)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses				\$ 2,597,940
Plus: Avg. Annual Principal and Interest Payments			k.	209,998
Additional Working Capital			k.	38,822
Debt Service for Operational Deficit Retirement				163,187
Total Revenue Requirement				3,009,947
Less: Other Operating Revenue				(286,066)
Nonutility Income	22,789	(22,789)	l.	-
Interest Income				(293)

References

- The Existing Billing Analysis indicates the total amount of retail water sales billed during the test period after billing adjustments is \$1,912,941. The difference between this amount and the sales revenue reported is the sum of the accountant's adjustments (\$34,146) required to show revenue accrued between January 1 and December 31, 2016.
- The District has experienced a 4.76% reduction in sales revenue over the first 9 months of 2017. This is primarily due to the decline in coal mining, related suppliers and other businesses. Because it is not expected that this revenue will return, an adjustment of 4.76% is applied to total adjusted 2016 retail sales.
- The 2016 Sales for Resale amount was for water purchased by Prestonsburg in the Davella/Industrial Park area. Under a new agreement Prestonsburg will no longer be purchasing water on a routine basis, so this revenue will be eliminated.
- A large portion of the amount reported for Other Water Revenues is actually late fees and will therefore be included here as Forfeited Discounts.
- The new agreement with Prestonsburg includes lease payments for the District's Honey Branch Tank in the amount of \$15,000 per month. The annual total is included as Other Revenues.
- During the test year District employees installed 24 new meter connections and these costs were charged to operating expenses. Based on the District's tariff filing the estimated cost of these additions is \$24,000 with \$6,360 in Labor expense and \$17,640 in Materials cost. These amounts are deducted from corresponding expense categories and the total is added in the Depreciation Expense Adjustment schedule.
- In 2016 the District purchased water from Prestonsburg to supplement its supply to the Davella/Industrial Park area. Under the new agreement it will not normally be necessary to purchase water from another utility.
- Under the new agreement Prestonsburg will provide the District up to 625,000 gallons of water per month at no charge. It is expected that this volume will be sufficient to supply all of the District's customers in the Davella/Industrial Park area under normal circumstances. Therefore, the District's Davella Pumping Station will be operated only when needed to supplement Prestonsburg's supply to the area and to exercise the pumps. It is estimated that the power cost at the pump station will be reduced by 85 percent. The District will also no longer pay for power costs at the Honey Branch Tank. These two changes will reduce total power cost by \$21,640.
- The District's test year water loss was 63.02%. The PSC's maximum allowable loss for rate-making purposes is normally 15%, however the regulations provide that upon application by a utility in a rate case, an alternative level of reasonable water loss may be established by the PSC. As documented in the Supplemental Information, the District proposes a reasonable water loss percentage of 39% for this rate. The costs for power and chemicals related to water treatment and transport above this limit must be deducted. The adjustment for power is calculated after the reduction in total power cost is taken for the change in operations described in Item h. above.

Required adjustment for power = $(\$373,353 - 21,640) \times 24\% = \$84,421$

Required adjustment for chemicals = $\$115,033 \times 24\% = \$27,611$
- It is the PSC's practice to require an adjustment to a utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Water Utilities". Therefore, adjustments are included to bring asset lives near the midpoint of NARUC recommended ranges. In a few cases adjustments may deviate from this to recognize the specific work performed instead of a broad category. See Table A. All asset life adjustments are based on actual experience with the assets.
- The annual debt service payments for the District's loans are shown in Table B. The five year average of these payments is included in the required revenue calculation. Table B also includes coverage on debt service which is required by loan agreements.
- During the test year the District realized a Gain on Disposition of Utility Property. Because such a gain will not occur routinely in the future, it is deducted.

Alternate #1 Water Rates

Proposed Rates - Alternative 1

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 39.62
1 inch	5,000	69.67
1-1/2 inch	10,000	119.75
2 inch	20,000	219.91
3 inch	30,000	320.08
4 inch	50,000	520.41

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 10.02

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 59.65	\$ 19.75	49.5%

* Water bill for 4,000 gallons

Rate Alternate #2

SCHEDULE OF ADJUSTED OPERATIONS - ALTERNATIVE 1 Martin County Water District

	Test Year	Adjustments	Ref.	Proforma
Operating Revenues				
Sales of Water				
Unmetered Water Sales	\$ 304			\$ 304
Metered Water Sales	1,878,795	\$ 34,146	a.	1,821,885
		(91,056)	b.	
Sales for Resale	62,792	(62,792)	c.	-
Other Water Revenues:				
Forfeited Discounts		72,155	d.	72,155
Misc. Service Revenues	28,253			28,253
Other Revenues	77,813	(72,155)	d.	5,658
		180,000	e.	185,658
Total Operating Revenues	\$ 2,047,957	60,298		\$ 2,108,255
Operating Expenses				
Operation and Maintenance				
Salaries and Wages - Employees	\$ 555,390	(6,360)	f.	\$ 549,030
Salaries and Wages - Officers	0			-
Employee Pensions and Benefits	296,755			296,755
Purchased Water	24,603	(24,603)	g.	-
Purchased Power	373,353	(21,640)	h.	351,713
		(84,421)	i.	267,292
Chemicals	115,033	(27,611)	i.	87,422
Materials and Supplies	156,069	(17,640)	f.	138,429
Contractual Services - Acct. & Legal	44,844			44,844
Contractual Services - Water Testing	14,709			14,709
Contractual Services - Other	154,668			154,668
Rental of Bldg./Real Property	7,898			7,898
Rental of Equipment	51,314			51,314
Transportation Expenses	75,334			75,334
Insurance - Vehicle & Liability	33,121			33,121
Insurance - Worker's Compensation	28,737			28,737
Insurance - Other	7,257			7,257
Advertising	0			-
Other	3,000			3,000
Bad Debt Expense	67,543			67,543
Miscellaneous Expenses	40,341			40,341
Total Operation and Mnt. Expenses	2,049,969	(182,275)		1,867,694
Depreciation Expense	771,703	(87,953)	j.	683,750
Amortization Expense	0			-
Taxes Other Than Income	46,496			46,496
Total Operating Expenses	\$ 2,868,168	\$(270,228)		\$ 2,597,940
Net Utility Operating Income	\$ (820,211)	\$ 330,526		\$ (489,685)

REVENUE REQUIREMENTS

Pro Forma Operating Expenses				\$ 2,597,940
Plus: Avg. Annual Principal and Interest Payments			k.	209,998
Additional Working Capital			k.	38,822
Debt Service for Operational Deficit Retirement				163,187
Total Revenue Requirement				3,009,947
Less: Other Operating Revenue				(286,066)
Nonutility Income	22,789	(22,789)	l.	-
Interest Income				(293)
Revenue Required From Retail Rates				2,723,588
Less: Revenue from Sales at Present Rates				(1,822,189)
Required Revenue Increase				\$ 901,399
Percent Increase				49.47%

References

- The Existing Billing Analysis indicates the total amount of retail water sales billed during the test period after billing adjustments is \$1,912,941. The difference between this amount and the sales revenue reported is the sum of the accountant's adjustments (\$34,146) required to show revenue accrued between January 1 and December 31, 2016.
- The District has experienced a 4.76% reduction in sales revenue over the first 9 months of 2017. This is primarily due to the decline in coal mining, related suppliers and other businesses. Because it is not expected that this revenue will return, an adjustment of 4.76% is applied to total adjusted 2016 retail sales.
- The 2016 Sales for Resale amount was for water purchased by Prestonsburg in the Davella/Industrial Park area. Under a new agreement Prestonsburg will no longer be purchasing water on a routine basis, so this revenue will be eliminated.
- A large portion of the amount reported for Other Water Revenues is actually late fees and will therefore be included here as Forfeited Discounts.
- The new agreement with Prestonsburg includes lease payments for the District's Honey Branch Tank in the amount of \$15,000 per month. The annual total is included as Other Revenues.
- During the test year District employees installed 24 new meter connections and these costs were charged to operating expenses. Based on the District's tariff filing the estimated cost of these additions is \$24,000 with \$6,360 in Labor expense and \$17,640 in Materials cost. These amounts are deducted from corresponding expense categories and the total is added in the Depreciation Expense Adjustment schedule.
- In 2016 the District purchased water from Prestonsburg to supplement its supply to the Davella/Industrial Park area. Under the new agreement it will not normally be necessary to purchase water from another utility.
- Under the new agreement Prestonsburg will provide the District up to 625,000 gallons of water per month at no charge. It is expected that this volume will be sufficient to supply all of the District's customers in the Davella/Industrial Park area under normal circumstances. Therefore, the District's Davella Pumping Station will be operated only when needed to supplement Prestonsburg's supply to the area and to exercise the pumps. It is estimated that the power cost at the pump station will be reduced by 85 percent. The District will also no longer pay for power costs at the Honey Branch Tank. These two changes will reduce total power cost by \$21,640.
- The District's test year water loss was 63.02%. The PSC's maximum allowable loss for rate-making purposes is normally 15%, however the regulations provide that upon application by a utility in a rate case, an alternative level of reasonable water loss may be established by the PSC. As documented in the Supplemental Information, the District proposes a reasonable water loss percentage of 39% for this rate. The costs for power and chemicals related to water treatment and transport above this limit must be deducted. The adjustment for power is calculated after the reduction in total power cost is taken for the change in operations described in Item h. above.

Required adjustment for power = (\$373,353-21,640) x 24% = \$84,421
Required adjustment for chemicals = \$115,033 x 24% = \$27,611
- It is the PSC's practice to require an adjustment to a utility's depreciation expense when asset lives fall outside the ranges recommended by NARUC in its publication titled "Depreciation Practices for Small Water Utilities". Therefore, adjustments are included to bring asset lives near the midpoint of NARUC recommended ranges. In a few cases adjustments may deviate from this to recognize the specific work performed instead of a broad category. See Table A. All asset life adjustments are based on actual experience with the assets.
- The annual debt service payments for the District's loans are shown in Table B. The five year average of these payments is included in the required revenue calculation. Table B also includes coverage on debt service which is required by loan agreements.
- During the test year the District realized a Gain on Disposition of Utility Property. Because such a gain will not occur routinely in the future, it is deducted.

Surcharge Alternate #2A & 2B

CALCULATION OF SURCHARGE FOR OPERATIONAL DEFICIT RETIREMENT

Part of Alternative 2A

Based on PSC approval of a 5 year loan at a 4.25% annual interest rat

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
No. of existing customers	3,517
Monthly Surcharge per Customer	\$ 3.87

Part of Alternative 2B

Based on PSC approval of a 5 year loan at a 4.25% annual interest rat

Total accounts payable as of 9/30/17	\$ 733,903
Monthly payments on 5 year loan	13,599
Retail Gallons sold in 2016 (x 1000)	191,752
Monthly Surcharge per Thousand Gallons	\$ 0.85

Alternate #2A Water Rates

Proposed Rates - Alternative 2A

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.24
1 inch	5,000	65.47
1-1/2 inch	10,000	112.52
2 inch	20,000	206.62
3 inch	30,000	300.72
4 inch	50,000	488.92

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.41

Surcharge for Operational Deficit Retirement

Monthly Lump Sum Surcharge per Customer	\$ 3.87
---	---------

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 56.06	\$ 16.16	40.5%
Prop. w/ Surcharge	\$ 59.93	\$ 20.03	50.2%

* Water bill for 4,000 gallons

Alternate #2B Water Rates

Proposed Rates - Alternative 2B

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.24
1 inch	5,000	65.47
1-1/2 inch	10,000	112.52
2 inch	20,000	206.62
3 inch	30,000	300.72
4 inch	50,000	488.92

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.41

Surcharge for Operational Deficit Retirement

Surcharge per 1,000 gallons of usage	\$ 0.85
--------------------------------------	---------

Bill Comparison:

	<u>Average Bill*</u>	<u>\$\$\$ Increase</u>	<u>Percent Increase</u>
Existing	\$ 39.90		
Proposed	\$ 56.06	\$ 16.16	40.5%
Prop. w/ Surcharge	\$ 59.46	\$ 19.56	49.0%

* Water bill for 4,000 gallons

Next Steps for Board

- Select Rate Alternative # 1, 2A or 2B (or variation)
- Adopt a Resolution to file with the Kentucky PSC a request for approval a rate increase, including a request for immediate emergency rate relief to address the current financial crisis of the District.
- Authorize the Business Manager to proceed with a loan application for up \$750,000, subject to Kentucky PSC approval where needed, with the final loan subject to Board approval.



ASSIGNMENT OF LEASE

THIS ASSIGNMENT, made and entered into on this the 16th day of March, 2021, by and between Martin County Community Center, Inc., d/b/a Roy F. Collier Community Center, of 387 East Main Street, Inez, Kentucky 41224, (Assignor), and Martin County Public Library District, of P.O. Box 1318, Inez, Kentucky 41224, (Assignee).

For value received, Assignor herein, Martin County Community Center, Inc., d/b/a Roy F. Collier Community Center, assigns, transfers, and sets over to Martin County Public Library District, Assignee herein, all of its right, title, and interest in and to the following Leases, copies of which are attached, subject to all the terms and conditions thereof:

1. Lease Agreement by and between Roy F. Collier Community Center and Martin County Adult Education and Family Learning Center dated July 1, 2015.
2. Lease Agreement by and between Roy F. Collier Community Center and Big Sandy Community Action Program dated September 1, 2015.
3. Lease Agreement by and between Martin County Community Center, Inc., d/b/a Roy F. Collier Community Center, and No Limits Fitness, LLC, dated January 24, 2017.
4. Lease Agreement by and between Roy F. Collier Community Center and Martin County Utility Board dated August 1, 2020.

Assignor herein, Martin County Community Center, Inc., d/b/a Roy F. Collier Community Center, remises, releases, and quitclaims to Assignee, Martin County Public Library District, all its right, title, and interest in and to the Leases hereinabove described.

That by the signatures below, they are in agreement that the Leases may be so assigned.

In witness whereof, we have executed this Assignment on the day and year first above written.

STATE OF KENTUCKY)

COUNTY OF MARTIN)

The foregoing Assignment was acknowledged, subscribed and sworn to before me by
Martin County Public Library, by Donnie Osborn, its
President, on this 16 day of March, 2021.

My Commission Expires: 12/22/22

Wanda Porter
NOTARY PUBLIC, STATE AT LARGE

I certify that the foregoing Assignment
of Lease was prepared by:

B. C. 6

BRIAN CUMBO
Attorney at Law
P.O. Box 1844
Inez, KY 41224
Telephone: 606-298-0428
Facsimile: 606-298-0316
Email: cumbolaw@cumbolaw.com

ASSIGNOR:

MARTIN COUNTY COMMUNITY CENTER,
INC. d/b/a ROY F. COLLIER COMMUNITY
CENTER

BY: [Signature]

ITS: Chairman

STATE OF KENTUCKY)

COUNTY OF MARTIN)

The foregoing Assignment was acknowledged, subscribed and sworn to before me by
Martin County Community Center, Inc., d/b/a Roy F. Collier Community Center, by
James D. Herr, its Chairman, on this 16th
day of March, 2021.

My Commission Expires: 12/22/22

[Signature]
NOTARY PUBLIC, STATE AT LARGE

CONSENT TO AND ACCEPTANCE OF ASSIGNMENT:

Martin County Public Library District hereby consents to and accepts the foregoing
Assignment, subject to all the terms and conditions thereof.

ASSIGNEE:

MARTIN COUNTY PUBLIC LIBRARY
DISTRICT

BY: [Signature]

ITS: Pres MCPL

GC COPY

Lease Agreement

by and between

Roy F. Collier Community Center

and

Martin County Utility Board

Dated: August 1, 2020

TABLE OF CONTENTS

	Page
1. PREMISES	ERROR! BOOKMARK NOT DEFINED.
2. TERM	1
3. RENTAL AND POSSESSION	1
(a) Rental	1
(c) Utility Service	2
(d) Possession	2
(f) Other Charges	2
(g) Place of Payment.....	3
4. CONDITION OF PREMISES	3
(a) Condition of Premises on Commencement Date	3
(b) Condition of Premises at Termination	3
5. USE OF THE PREMISES	3
(a) Intended Use.....	3
(b) Care	3
6. ALTERATIONS	3
(a) Prohibition.....	3
(b) Trash Removal	4
(c) Indemnification	4
(d) Lessor's Property	4
7. MECHANIC'S LIENS	5
8. MAINTENANCE AND REPAIR	5
(a) Lessee's Maintenance.....	5
(b) Lessor's Maintenance	6
9. INDEMNIFICATION; WAIVER OF CLAIMS	7
10. INSURANCE	8
(a) Lessee's Insurance.....	8
(b) Lessor as Additional Insured.....	8
(c) Lessor's Insurance.....	9
11. WAIVER OF SUBROGATION	9
12. WAIVER OF CERTAIN RIGHTS	9
13. HOLDING OVER	9

TABLE OF CONTENTS
(continued)

	Page
14. ASSIGNMENT AND SUBLEASE	10
(a) Prohibition.....	10
(b) Right to Collect Rents Directly.....	11
15. QUIET ENJOYMENT	11
16. FIRE AND CASUALTY	12
17. EMINENT DOMAIN	12
18. DEFAULT	13
19. REMEDIES	13
20. LESSOR'S LIEN	15
21. WAIVER OF DEFAULT OR REMEDY	16
22. REMEDIES CUMULATIVE	16
23. FORCE MAJEURE	16
24. SUBORDINATION OF LEASE	17
25. NOTICES AND CONSENTS	18
26. AMERICANS WITH DISABILITIES ACT	18
27. TAXES	18
28. HAZARDOUS DEVICES AND CONTAMINANTS	19
(a) Prohibition.....	19
(b) Indemnification.....	19
(c) Definitions.....	19
29. INSPECTION AND ACCESS	20
30. SIGNS	20
31. GENDER AND NUMBER	21
32. TOPIC HEADINGS	21
33. COUNTERPARTS	21
34. ENTIRE AGREEMENT	21
35. RECORDING MEMORANDUM	21
36. GOVERNING LAW; INVALIDITY OF ANY PROVISIONS	21
37. RULES AND REGULATIONS	21
38. INTERPRETATION	22
39. MISCELLANEOUS	22

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") dated August 1, 2020, and effective as of the Commencement Date (defined below), is by and between Roy F. Collier Community Center (Lessor, 387 E Main Street Suite 144 Inez, KY 41224 and Martin County Adult Education and Family Learning Center ("Lessee") with a mailing address of .

1. **Premises.** In consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby leases unto Tenant and Tenant hereby rents and accepts from Landlord those certain premises containing four hundred (400) rental square feet located in that certain building known as Roy Collier Community Center (the "Building"), Suite #140 and 141, 387 E Main Street Inez, Kentucky 41224 (the "Premises"),

2. **Term.** Subject to and upon the terms and conditions set forth below, the term of this Lease shall be for a period of 2 years, commencing on August 1, 2020, (the "Commencement Date") and ending August 1, 2023 (the "Initial Term"). So long as Lessee is not then in default under this Lease, at the end of the Initial Term, the term of this Lease shall be extended automatically for one year (1) additional period, unless either party gives notice to the other at least sixty (60) days prior to the end of the Initial Term or any extended term of its intent not to extend the term (the Initial Term, together with any extended term shall hereinafter be referred to herein as the "Term"). Any termination of this Lease, by lapse of time or otherwise, shall not affect or excuse the performance of any party under any provision of this Lease that by its terms survives any such termination.

3. **Rental and Possession.**

(a) **Rental.** Lessee shall pay to Lessor throughout the Term, rental per month ("Rent"), payable on the 1st day of each month in advance, as set forth below:

Lease Year(s)	Rent Per Month
August 1, 2020	\$753.51
August 1, 2021 3 % increase	\$776.12
August 1, 2022 3 % increase	\$799.40
August 1, 2023 3 % increase	\$823.38
August 1, 2024 3 % increase	\$848.08

No payment by Lessee or receipt by Lessor of a lesser amount than due hereunder shall be deemed to be other than on account of the earliest stipulated installment of Rent due hereunder. No endorsement or statement on any check or any letter accompanying any check or payment as Rent shall be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to Lessor's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

(b) Utility Service. Payment for all utilities (which consist of electric, water and sewer) used upon or in connection with the Premises shall be made by Lessee. In no event shall Lessor be liable to Lessee for any interruption or failure in the supply of any utilities to the Premises.

(c) Possession. Lessor shall deliver possession of the Premises to Lessee on or before the Commencement Date.

(d) Deposit. Simultaneous with the signing of this Lease, Lessee shall pay to Lessor _____ Dollars (\$_____.00) as a deposit to secure Lessee's obligations under this Lease and to cover any damages sustained to the Premises during the Term (the "Deposit"). If no breach or damages occur during the Term that are not cured or repaired, the Deposit will be fully refunded to Lessee upon termination of this Lease.

(e) Other Charges. All costs, expenses and other sums that Lessee assumes or agrees to pay to Lessor pursuant to this Lease ("Other Charges") shall be deemed part of the Rent and, in the event of nonpayment thereof, Lessor shall have all the rights and remedies herein provided for in case of nonpayment of Rent. If a monthly installment of Rent is not received on or before the fifth (5th) day of the month in which it is due, other remedies for nonpayment of Rent notwithstanding, Lessor may enforce this provision in accordance with Section 18 of this Lease.

(f) Place of Payment. Lessee shall pay all Rent and Other Charges due under this Lease without demand, deduction or set off to Lessor at the address set forth above, or at such other place as Lessor may designate from time to time hereafter by written notice to Lessee.

4. Condition of Premises.

(a) Condition of Premises on Commencement Date. Lessee accepts the Premises therein in “as is, where is” condition as of the Commencement Date.

(b) Condition of Premises at Termination. Upon termination of this Lease, by lapse of time or otherwise, Lessee shall remove all of Lessee’s property, including but not limited to, trade fixtures, from the Premises, and shall return the Premises in as good of condition as when Lessee took possession or as same as may thereafter have been put by Lessor, except for ordinary wear, loss by fire or other casualty. If Lessee fails to remove any or all of its property upon termination of this Lease, such property shall be deemed to be abandoned and shall become the property of Lessor.

5. Use of the Premises.

(a) Intended Use. Lessee intends to and shall use the Premises as Payment Center and Office Space, and for no other purpose whatsoever.

(b) Care. Lessee shall take good care of the Premises, the fixtures and appurtenances thereto, and all alterations, additions and improvements thereto. Lessee shall not make or permit to be made any use of the Premises or any part thereof, and shall not bring into or keep anything in the Premises or any part thereof, that: (i) violates any of the covenants, agreements, terms, provisions and conditions of this Lease; (ii) directly or indirectly is forbidden by public law, ordinance or regulation of any governmental or public authority (including zoning ordinances); (iii) is dangerous to life, limb or property; or (iv) increases the risk to Lessor or invalidates or increases the premium cost of any policy of insurance carried on the Building or covering its operation.

6. Alterations.

(a) Prohibition. Lessee shall not make any alterations, additions or improvements (collectively, the “Alterations”) in or to the Premises without the express prior

written consent of Lessor, which consent shall not be unreasonably withheld or delayed. Before commencing any work in connection with the Alterations, Lessee shall furnish to Lessor for its approval the following: (i) detailed plans and specifications therefore; (ii) names and addresses of each of the contractors and subcontractors; (iii) copies of all contracts, subcontracts and necessary permits; (iv) a payment and performance bond, or other indemnification, in form and amount satisfactory to Lessor, protecting Lessor against any and all claims, costs, damages, liabilities and expenses that may arise in connection with the Alterations; (v) such documentation as is necessary to comply fully with the mechanics' lien law of Kentucky; and (vi) certificates of insurance, in form and amount satisfactory to Lessor, from all contractors and subcontractors who will perform labor or furnish materials, insuring Lessor against any and all liability for personal injury, including but not limited to workers' compensation claims and for property damage that may arise out of or be in any manner connected with the Alterations. Lessee shall pay the cost of all such Alterations and all costs associated with decorating the Premises that may be occasioned thereby.

(b) Trash Removal. A monthly fee of \$20.00 shall be additional to the Rent for trash removal. During the performance of any construction in connection with the Alterations, Lessee shall provide or contract for trash removal service and require Lessee's contractors to remove all trash and debris from the Premises and to place such in containers supplied for such purpose at a location designated by Lessor. In the event Lessee's trash is allowed to accumulate for a 24-hour period or longer within the Premises or in the exterior or service corridors adjacent to the Premises, Lessor may remove Lessee's or Lessee's contractor's trash at a charge of 1.5 times Lessor's cost.

(c) Indemnification. In addition to the indemnity set forth in Section 9 of this Lease, Lessee hereby specifically agrees to indemnify and hold harmless Lessor from and against any and all liabilities, costs and expenses of every kind and description, including, without limitation, attorneys' fees and expenses, that may arise out of or in any manner be connected with any Alterations made by Lessee.

(d) Lessor's Property. All Alterations, whether temporary or permanent, including hardware, non-trade fixtures and wall and floor coverings, shall become Lessor's property and shall remain with the Premises at the termination of this Lease, whether by lapse of time or otherwise, without compensation, allowance or credit to Lessee. Lessee shall have the right to

remove its trade fixtures and equipment installed by it. If Lessor requests such removal or if Lessee removes its trade fixtures and equipment, Lessee shall remove the same prior to the end of the Term and shall repair all damage to the Premises caused by such removal. Lessee shall not, however, be required to remove pipes and wires concealed in floors, walls or ceilings, provided that Lessee properly cuts and caps the same, and seals them off in a safe, lawful and workmanlike manner, in accordance with Lessor's reasonable requirements and all applicable building codes. If Lessee does not remove any Alterations when requested by Lessor to do so, Lessor may remove the same and repair all damage caused thereby, and Lessee shall pay to Lessor the cost of such removal and repair immediately upon demand therefore by Lessor, plus fifteen percent (15%) of the cost of such removal to reimburse Lessor for its administrative expense. Lessee's obligation to observe or perform this covenant shall survive the expiration or termination of this Lease.

7. Mechanic's Liens.

(a) If, because of any act or omission of Lessee, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against any portion of the Premises, Lessee, at its own cost and expense, shall cause the same to be discharged of record or bonded against within ten (10) days of the filing thereof; and Lessee shall indemnify, defend and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims and demands, including attorneys' fees, on account thereof.

(b) If Lessee shall fail to cause such liens to be discharged of record or bonded against within the aforesaid ten (10) day period or shall fail to satisfy such liens within ten (10) days after any judgment in favor of such lien-holders from which no further appeal may be taken, then Lessor shall have the right to cause the same to be discharged. All amounts paid by Lessor to cause such liens to be discharged, plus interest on such amounts at the Default Rate shall constitute Other Charges payable by Lessee to Lessor.

8. Maintenance and Repair.

(a) Lessee's Maintenance. Except for repairs Lessor is obligated to make pursuant to Section 8(b) below, Lessee shall, at its own cost and expense, make all necessary repairs, improvements, and decorations and perform all maintenance on, in, and to the Premises that are necessary or appropriate to keep the Premises in good condition and repair and in a safe

and Lesseeable condition. All such repairs and maintenance shall be accomplished in a good and workmanlike manner using new quality materials, and shall be in compliance with all applicable requirements of law. Notwithstanding the provisions hereof, in the event that any maintenance or repairs required to be made by Lessee become immediately necessary to avoid possible injury or damage to persons or property, Lessor may, but shall not be obligated to, make repairs to such items at Lessee's expense, which shall constitute Other Charges payable by Lessee to Lessor. Within ten (10) days after Lessor renders a bill for the cost of said repairs, Lessee shall reimburse Lessor.

Lessee shall keep Premises in a clean, orderly, and attractive condition at all times. Lessee shall not permit the accumulation of garbage, rubbish, or other waste in or around the Premises, except for such normal amount of garbage, rubbish or other waste that may accumulate between regular garbage pickups and is properly placed in appropriate trash containers.

(b) Lessor's Maintenance. Lessor shall keep, repair and maintain the exterior of the Building (including the roof and structural members, mechanical (HVAC) and electrical equipment, sprinkler systems, the exterior and architectural finish); together with heating, plumbing, electrical, ventilation or air conditioning equipment located outside the Building all in good and Lesseeable condition during the Term of this Lease. Lessee shall notify Lessor immediately when any repair to be made by Lessor is necessary. If any portion of the Premises is damaged through the fault or negligence of Lessee, its agents, employees, invitees or customers, then Lessee shall promptly and properly repair the same at no cost to Lessor; provided, however, that Lessor may, at its option, make such repairs and Lessee shall, on demand, pay the cost thereof, together with interest at the Default Rate to Lessor as Other Charges. Lessee shall immediately give Lessor written notice of any defect or need for repairs, after which notice Lessor shall have reasonable opportunity to repair same or cure such defect. For the purposes of making any repairs or performing any maintenance, Lessor may block, close or change any entrances, doors, or other facilities in the Building or in the Premises, and may close, block or change sidewalks, driveways or parking areas of the Premises, provided, however, that Lessor shall use all reasonable means to conduct repairs in a manner that does not unreasonably interfere with the Lessee's use. Lessor shall not be liable to Lessee, except as expressly provided in this Lease, for any damage or inconvenience and Lessee shall not be entitled to any abatement of Rent by reason of any repairs, alterations or additions made by

Lessor under this Lease unless such repairs, alterations or additions unreasonably interfere with Lessee's use of the Premises.

(c) Lessor Services. Lessor shall furnish to Lessee the services enumerated on the Standard Service Specifications attached hereto as Exhibit A and made a part hereof, and Lessee shall accept the same. Notwithstanding the Standard Service Specifications, Lessor shall in no event be liable to Lessee for damages from the temporary shutdown of the elevator service, heat, electric, air conditioning equipment or water apparatus, or any other facility or service.

9. Indemnification; Waiver of Claims.

(a) Lessee shall indemnify, defend and hold harmless Lessor, its agents, employees, officers, directors and shareholders from and against any and all claims, actions, judgments, penalties, damages, charges, costs or expenses, of any nature whatsoever, including, without limitation, attorney's fees and expenses, arising from, relating to or in connection with: (i) any violation by Lessee of any law, order or ordinance of any governmental agency, (ii) the use or occupancy of the Premises or the exercise or operation of the property interests or rights granted to Lessee under this Lease, (iii) any act or omission by Lessee, its servants, agents, employees, contractors, suppliers, invitees, patrons or guests in the course of its or their operations on the Premises or otherwise in the pursuance of the terms hereof or exercise of the rights or privileges granted hereunder; or (iii) any misrepresentation or breach of any warranty or covenant on the part of Lessee herein contained or the failure of Lessee to comply in full with or perform any of the covenants, conditions or terms set forth in this Lease.

(b) Lessor shall not be liable for, and Lessee, on behalf of itself and its insurers, hereby waives and releases all claims against Lessor: (i) for any and all damage or loss to fixtures, equipment or other property of Lessee and its servants, agents, employees, contractors, suppliers, invitees, patrons and guests in, upon or about the Premises or the Building; or (ii) for injury or death to any person, or damage to any property of Lessee, occurring in, upon or about the Premises or the Building, resulting from any cause whatsoever (except caused by the intentional act of Lessor or its servants, agents or employees), including, but not limited to, water, snow, frost, ice, explosion, falling plaster, fire or gas, smoke or other fumes, nor by reason of the leaking, breaking, backing up or other malfunction of any lines, wires,

pipes, tanks, boilers, lifts or any other appurtenances, regardless by whom installed or maintained, Lessee hereby expressly assuming all responsibility for the safety and security of the property of Lessee, and its servants, agents, employees, contractors, suppliers, invitees, patrons and guests while in, upon or about the Premises or the Building. The occurrence of any event described in this Section 9 shall not constitute a breach of Lessor's covenant of quiet enjoyment set forth in Section 15.

10. Insurance.

(a) Lessee's Insurance. Lessee, at its sole cost and expense, shall carry during the entire Term of this Lease, the following types of insurance:

(i) Primary and noncontributory commercial general liability insurance against injuries to persons occurring in, upon or about the Premises, with minimum coverage of _____ (\$ _____) per occurrence and _____ (\$ _____) aggregate coverage per one (1) accident or disaster, and _____ (\$ _____) for property damage;

(ii) Primary and noncontributory fire, extended coverage, vandalism and malicious mischief and sprinkler damage and all-risk insurance coverage on all personal property, trade fixtures, floor coverings, furnishings, furniture and contents for their full insurable value on a replacement cost basis; and

(iii) Workers' Compensation or similar insurance, if and to the extent required by law and in form and amounts required by law.

(b) Lessor as Additional Insured. All such insurance required to be maintained by Lessee shall name Lessor as an additional insured and shall be written with a company or companies reasonably satisfactory to Lessor, having a policyholder rating of at least "A" and be assigned a financial size category of at least "Class XIV" as rated in the most recent edition of "Best's Key Rating Guide" for insurance companies, and authorized to engage in the business of insurance in the Commonwealth of Kentucky. Lessee shall deliver to Lessor copies of such policies and customary insurance certificates evidencing such paid-up insurance. Such insurance shall further provide that the same may not be canceled, terminated or modified unless the insurer gives Lessor at least sixty (60) days' prior written notice thereof.

(c) Lessor's Insurance. Lessor shall maintain in force, at all times during the Term of this Lease, a policy or policies of fire and extended coverage insurance to the extent of full replacement cost of the Building.

11. Waiver of Subrogation. Notwithstanding anything set forth in this Lease to the contrary, Lessor and Lessee expressly, knowingly, and voluntarily waive and release any and all right of recovery, claim, action, or cause of action, against the other and its respective agents, owners, officers, directors and employees, for any damage to its properties and loss of business (specifically including loss of rent by Lessor and business interruption by Lessee) as a result of the acts or omissions of the other party, or the other party's agents, officers and employees (specifically including the negligence of either party or its agents, officers and employees and the intentional misconduct of the agents, officers or employees of either party), which claims are covered by the insurance required to be maintained by the parties pursuant to the terms of this Lease or other insurance as either party may carry at the time of an occurrence. In addition, all insurance policies carried by either party covering the Building or the Premises (including, but not limited to: contents, fire and casualty insurance) shall expressly waive any right on the part of the insured against the other party for damage to its properties and loss of business as a result of the acts or omissions of the other party or the other party's agents, officers and employees; provided, however, that the foregoing shall not apply to claims for personal injury or wrongful death. Because this Section 11 will preclude the assignment of any claim mentioned in it by way of subrogation (or otherwise) to an insurance company (or any other person), each party to this Lease agrees immediately to give to each insurance company that has issued to it policies of fire and extended coverage insurance, written notice of the terms of the mutual waivers contained in this Section 11, and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverage because of the mutual waivers contained in this Section 11.

12. Waiver of Certain Rights. Lessor and Lessee hereby mutually waive all rights to request a jury trial in any action, proceeding or counterclaim (except those involving personal injury or property damage) arising out of this Lease.

13. Holding Over. If Lessee retains possession of the Premises or any part thereof after the termination of this Lease, Lessee shall, from that day forward, be a Lessee from month

to month under the terms and conditions of this Lease and Lessee shall pay Lessor (a) Rental at one and one-half (1 ½) times the rate in effect immediately prior to the termination of this Lease for the time the Lessee remains in possession; and, (b) Additional Rental and all Other Charges otherwise payable by Lessee hereunder. No acceptance of Rent by, or other act or statement whatsoever on the part of Lessor or its agent or employee, in the absence of a writing signed by Lessor, shall be construed as an extension of or as a consent for further occupancy. Lessee shall indemnify Lessor for all damages, consequential as well as direct, sustained by reason of Lessee's retention of possession, including but not limited to reasonable attorney's fees. The provisions of this Section 13 do not exclude pursuit of Lessor's right of re-entry or any other right hereunder.

14. Assignment and Sublease.

(a) Prohibition. Lessee shall not (directly, indirectly, voluntarily, involuntarily or by operation of law) assign, convey, mortgage, pledge, encumber or otherwise transfer this Lease or any interest therein, sublet the Premises or any part thereof, or permit the use or occupancy of the Premises or any part thereof by anyone other than Lessee, without receiving Lessor's prior written consent, which consent shall not be unreasonably withheld. Further, neither this Lease, the estate created hereby, nor the rights of Lessee created hereunder shall be subject to sale, disposition, or possession thereof, in whole or in part, under the judgment or decree of any court, or by or through judicial process of law or equity, except for the purpose of enforcing, at the instance of Lessor, its rights hereunder. In the event of any assignment, subletting, transfer or occupancy by someone other than Lessee, whether or not approved by Lessor, Lessee shall, nevertheless, at all times, remain fully responsible and jointly and severally liable for the payment of the Rent and for compliance with all other obligations imposed upon Lessee under the terms, provisions and covenants of this Lease. In addition, Lessee shall reimburse Lessor for reasonable attorneys' fees incurred in conjunction with the processing and documentation of any request for Lessor's consent under this Section 14. Any assignment or sublease shall contain a provision whereby the assignee or Sub-Lessee agrees to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, and Lessee shall deliver to Lessor, promptly after execution, an executed copy of each assignment or sublease and an agreement of compliance by each assignee or Syub-Lessee. Any sublease shall

also contain a provision that in the event of default by Lessee hereunder and a termination of this Lease by Lessor, such Sub-Lessee shall, at Lessor's option, attorney to Lessor as if Lessor were the lessor under the sublease. If Lessee assigns this Lease or subleases all or a portion of the Premises, such assignee or Sub-Lessee shall have no right to exercise any renewal, expansion or right of first refusal option granted to Lessee under this Lease, nor shall such assignee or Sub-Lessee attain rights to the exterior building signage. Any consent by Lessor hereunder, shall not be construed as a waiver of the foregoing prohibitions against assignment, sublease, transfer, lien or encumbrance as to any future assignment, transfer, sublease, lien or encumbrance, and each successive assignment, transfer, sublease or instrument creating a lien or encumbrance shall so stipulate. The parties stipulate and agree that certain types of Lessees, regardless of their ability to pay rent, may present a use of the Premises which is not consistent with the Lessee mix surrounding the property covered by the Premises. Lessor's refusal to approve a sublease or assignment in such circumstances shall not be considered unreasonable.

(b) Right to Collect Rents Directly. Upon the occurrence of an event of default as set forth in Section 18 hereof, if all or any part of the Premises is then assigned, sublet, transferred or occupied by someone other than Lessee, then, in addition to any other remedies provided in this Lease or provided by law, Lessor, at its option, may collect directly from the assignee, Sub-Lessee, transferee or occupant all Rent becoming due to Lessee by reason of the assignment, sublease, transfer or occupancy. Any collection directly by Lessor from the assignee or Sub-Lessee shall not be construed to constitute a novation or a release of Lessee from the further performance of its obligations under this Lease.

15. Quiet Enjoyment. If Lessee shall pay the Rents and other sums due to be paid by Lessee hereunder as and when the same become due and payable, and if Lessee shall keep, observe and perform all of the other terms, covenants and agreements of this Lease on Lessee's part to be kept, observed and performed, Lessee shall, at all times during the Term herein granted, peacefully and quietly have and enjoy possession of the Premises without any encumbrance or hindrance by, from or through Lessor, except for regulations imposed by any governmental or quasi-governmental agency on the occupancy of Lessee or the conduct of Lessee's business operations.

16. Fire and Casualty.

(a) If the Premises or the Building or any substantial part of either is damaged or destroyed by fire or other casualty, cause or condition whatsoever, and (i) such damage or destruction cannot be repaired within one hundred eighty days (180) days, or (ii) such damage occurs during the last year of the Term and Lessor and Lessee have not elected to extend the Term, then Lessor may terminate this Lease by written notice to Lessee given within thirty (30) days after such damage. If the Premises are damaged or destroyed or access thereto or use thereof is affected by the damage, then Lessor's termination shall be effective as of the date of such damage; otherwise said termination shall be effective thirty (30) days after such notice.

(b) If the Premises or the Building are damaged or destroyed by fire or other casualty, cause or condition whatsoever, to such an extent as to be unLesseeable, and such damage or destruction cannot be repaired within one hundred eighty (180) days, then Lessee may terminate this Lease by giving written notice to Lessor within thirty (30) days after such damage, said termination to be effective as of the date of such damage.

(c) Unless this Lease is terminated as herein above provided, Lessor shall proceed with due diligence to restore, repair and replace the Premises and the Building to the same condition as they were in prior to such damage. From and after the date of such damage to date of completion of said repairs, replacements and restorations, a just proportion of the Rent shall abate according to the extent the full use and enjoyment of the Premises are rendered impossible by reason of such damage. Notwithstanding anything contained herein to the contrary, Lessor shall be under no duty to restore any alterations, improvements or additions made by Lessee. In all cases, due allowance shall be given to Lessor for any reasonable delays caused by adjustment of insurance loss, strikes, labor difficulties or any cause beyond Lessor's control.

17. Eminent Domain. If the Premises, the Building, or any part thereof, shall be acquired by any authority having power of eminent domain, whether directly pursuant to such power or under threat of use of such power, Lessor may terminate this Lease as of the date when possession is taken by the acquiring authority. All Rent and other sums payable by Lessee hereunder shall accrue up to and including such date and shall be paid by Lessee to Lessor on

such date. Lessor reserves all rights to any awards or damages in connection with any such full or partial taking by eminent domain. Lessee hereby assigns to Lessor any right Lessee may have to such damages or awards and waives all claims against Lessor and the condemning authority in connection with such taking, including but not limited to all claims for termination of Lessee's leasehold interest hereunder and interference with Lessee's business. Notwithstanding the foregoing, Lessee shall have the right to claim and recover from the condemning authority compensation for any loss which Lessee may incur for Lessee's moving expenses or the taking of Lessee's personal property (excluding Lessee's leasehold interest hereunder), provided such claim by Lessee does not reduce Lessor's claim.

18. Default. The occurrence of any of the following events shall constitute a default under this Lease ("Default"): (a) the failure of Lessee to pay when due any installment of Rent or other charge due under this Lease, and such default is not cured within five (5) days after written notice thereof; (b) the failure of Lessee to fulfill any of the other covenants or provisions of this Lease, or any other contract between Lessor and Lessee, on its part to be performed and such default is not remedied within thirty (30) days after written notice thereof; (c) any bankruptcy, insolvency, or similar proceeding shall be filed by or against Lessee and the same shall not be dismissed within thirty (30) days; (d) if Lessor shall give to Lessee within any period of twelve (12) consecutive months during the term of this Lease, three (3) notices of default; (e) if Lessee shall abandon or fail to occupy the Premises for a period of thirty (30) consecutive days; (f) if Lessee removes all or substantially all of its furniture, fixtures, and equipment from the Premises other than by reason of an assignment or subletting of the Premises permitted under this Lease, or; (g) any violation by Lessee of Exhibit B, or any other rules set forth by Lessor, or other violation of any federal, state, or local rule or regulation.

19. Remedies. In the event of a Default by Lessee under this Lease:

(a) Lessor may perform, on behalf of and at the expense of Lessee, any obligation of Lessee under this Lease which Lessee has failed to perform, and the cost of which performance by Lessor, plus a fifteen percent (15%) administration fee, together with interest thereon from the date of such expenditure, shall be deemed Additional Rent and shall be payable by Lessee to Lessor upon demand;

(b) Lessor may, without terminating this Lease, declare the entire amount of

the Rent which would become due and payable during the remainder of the Term of this Lease to be due and payable immediately, in which event Lessee agrees to pay the same in one lump sum, together with all Rents due. Such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall constitute payment in advance of the Rent for the remainder of said Term. The acceptance of such payment by Lessor shall not constitute a waiver of any Default of Lessee thereafter occurring;

(c) Lessor may, without terminating this Lease, by summary proceedings or otherwise, re-enter the Premises and may remove Lessee and all other persons and property from the Premises, and Lessee shall have no further claim or right hereunder, but Lessee shall remain liable for all obligations arising during the balance of the Term as if this Lease had remained in full force and effect. Lessee waives notice or demand unless specifically required by applicable law. No re-entry or commencement of any action for re-entry shall be construed as an election to terminate this Lease or shall absolve or release Lessee from any of its obligations for the remainder of the Term;

(d) Lessor may, without terminating this Lease, re-enter the Premises pursuant to any means available under this Lease or under applicable law, and make alterations or repairs, and relet said Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term of this Lease), without advertisement, by private negotiation, and upon any such terms and conditions as Lessor in its sole discretion may deem advisable. Upon each such reletting, all rentals and other sums received by Lessor from such reletting shall be applied, first, to the payment of any indebtedness other than Rent due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such reletting, including reasonable brokerage fees and attorney fees and the costs of any alterations and repairs; and the residue, if any, shall be applied in payment of Rent and other charges due and unpaid hereunder. If such rentals and other sums received from such reletting during any month be less than that to be paid during that month by Lessee hereunder, Lessee shall pay such deficiency to Lessor; if such rentals and the sums shall be more, Lessee shall have no right to, and shall receive no credit for, the excess. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of said Premises by Lessor shall be construed as a termination of this Lease, unless a written notice of such is given to Lessee, or unless the termination thereof is decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Lessor may

at any time elect to terminate this Lease for such previous breach;

(e) Lessor may terminate this Lease, upon written notice to Lessee;

In exercising any of the above remedies, Lessor may remove Lessee's property from the Premises and store the same, at Lessee's expense and without Lessor being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby. Lessor may also sell such property at a public or private sale, with the proceeds being applied to the costs of sale and storage, Lessor's reasonable attorney fees, amounts owed to Lessor under this Lease, and with any surplus paid to Lessee, in that order. Lessee waives any rights to re-enter the Premises and any rights of redemption.

(f) Lessor may exercise any other legal or equitable right or remedy it may have, which shall specifically include but not be limited to Lessor's exercise without court proceeding of a lien on any of Lessee's property in the Premises until cure of all Defaults.

(g) The foregoing remedies available to Lessor upon the occurrence and continuance of a Default are not to be deemed as alternative remedies, and Lessor shall be entitled to exercise any or all of said remedies as Lessor may determine. Notwithstanding the provisions of this Section and regardless of whether a Default shall have occurred, Lessor may exercise the remedy described in Section 18(a) above without any notice to Lessee if Lessor, in its good faith reasonable judgment, believes it would be materially injured by failure to take rapid action or if the unperformed obligation of Lessee constitutes an emergency.

20. Lessor's Lien. Lessee grants to Lessor a lien and continuing security interest for all Rent and other obligations of Lessee under this Lease, upon only goods, wares, equipment, fixtures, furniture, inventory, accounts, contract rights, chattel paper and other personal property of Lessee in the Premises, and such property shall not be removed from the Premises without the consent of Lessor, except in the ordinary course of business. In the event of a Default, Lessor shall have, in addition to all other remedies provided in this Lease, all rights and remedies under applicable state law or the Uniform Commercial Code ("UCC") regarding Lessor liens, including the right to sell such abandoned property at a public or private sale, and Lessee specifically waives any statutory obligations Lessor may have with regard to such personal property. Lessee agrees to execute such documents as Lessor requests to perfect the security interest so created, including any UCC financing statements.

21. Waiver of Default or Remedy. Notwithstanding anything set forth in this Lease to the contrary, Lessor and Lessee expressly, knowingly, and voluntarily waive and release any and all right of recovery, claim, action, or cause of action, against the other and its respective agents, owners, officers, directors and employees, for any damage to its properties and loss of business (specifically including loss of rent by Lessor and business interruption by Lessee) as a result of the acts or omissions of the other party, or the other party's agents, officers and employees (specifically including the negligence of either party or its agents, officers and employees and the intentional misconduct of the agents, officers or employees of either party), which claims are covered by the insurance required to be maintained by the parties pursuant to the terms of this Lease or other insurance as either party may carry at the time of an occurrence. In addition, all insurance policies carried by either party covering the Building or the Premises (including, but not limited to: contents, fire and casualty insurance) shall expressly waive any right on the part of the insured against the other party for damage to its properties and loss of business as a result of the acts or omissions of the other party or the other party's agents, officers and employees; provided, however, that the foregoing shall not apply to claims for personal injury or wrongful death. Because this Section 11 will preclude the assignment of any claim mentioned in it by way of subrogation (or otherwise) to an insurance company (or any other person), each party to this Lease agrees immediately to give to each insurance company that has issued to it policies of fire and extended coverage insurance, written notice of the terms of the mutual waivers contained in this Section 11, and to have the insurance policies properly endorsed, if necessary, to prevent the invalidation of the insurance coverages because of the mutual waivers contained in this Section 11.

22. Remedies Cumulative. No remedy set forth in this Lease is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now existing or hereafter existing at law, in equity or by statute.

23. Force Majeure. If Lessor or Lessee shall be delayed, hindered in or prevented from the performance of any act required hereunder (other than the payment of Rent and other charges payable by Lessee) by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, riots, insurrection, the act, failure to act or default of the other party, war, governmental action or failure to act or any other reason beyond the reasonable control of

the party who is seeking additional time for the performance of such act, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a reasonable period, in no event to exceed a period equivalent to the period of such delay. No such interruption of any service to be provided by Lessor shall ever be deemed to be an eviction, actual or constructive, or disturbance of Lessee's use and possession of the Premises or the Building.

24. Subordination of Lease.

(a) Lessor reserves the right and privilege to, and Lessee does hereby, subject and subordinate this Lease to any and all mortgages, deeds of trust or land leases now existing upon or that may be hereafter placed upon the Premises and to all advances made or to be made thereon and all renewals, modifications, consolidations, replacements or extensions thereof. The lien of any such mortgages, deeds of trust or land leases shall not affect the rights hereby or hereunder vested in Lessee provided Lessee shall not be in default of its obligations under this Lease. In confirmation of such subordination, Lessee shall, on request of Lessor or the holder of any such mortgages, deed(s) of trust and land leases, execute and deliver to Lessor within ten (10) days any instrument that Lessor or such holder may reasonably request.

(b) Lessee agrees within five (5) days after written request, to execute, and deliver to Lessor and/or Lessor's designee a certificate evidencing whether or not: (i) this Lease is in full force and effect; (ii) this Lease has been amended in any way; (iii) there are any existing defaults by Lessor hereunder and specifying the nature of such defaults, if any; (iv) Lessor has performed all improvements or other work, if any, required under this Lease; (v) the date to which Rent has been paid; (vi) there is any security deposit held by Lessor and the amount thereof, if any; and (vii) the address to which notices are to be given to Lessee. Lessor and Lessee acknowledge that estoppel certificates which may be requested by either party hereafter may contain more or less information than set forth above.

(c) If the interest of Lessor under this Lease shall be transferred by reason of foreclosure, deed in lieu of foreclosure, or other proceedings for enforcement of any first mortgage or deed of trust on the Premises, Lessee shall be bound to the transferee (the "Purchaser") under the terms, covenants and conditions of this Lease for the balance of the Term

remaining, and any extensions or renewals, with the same force and effect as if the Purchaser were the Lessor under this Lease, and at the option of Purchaser, Lessee shall attorn to the Purchaser as its Lessor, the attornment to be effective and self-operative without the execution of any further instruments upon the Purchaser succeeding to the interest of Lessor under this Lease. The respective rights and obligations of Lessee and the Purchaser upon the attornment, to the extent of the then remaining balance of the Term of this Lease, and any extensions and renewals, shall be and are the same as those set forth in this Lease.

25. Notices and Consents. All notices, demands, requests, consents and approvals that may or are required to be given by either party to the other shall be in writing and shall be deemed given when sent by United States certified or registered mail, postage prepaid, or by overnight courier to the address of Lessor or Lessee, as applicable, which is set forth above, or at such other place as Lessor or Lessee may from time to time designate by notice to the other. All consents and approvals provided for herein must be in writing to be valid. Notice shall be deemed to have been given if addressed and mailed as above provided on the date two (2) days after deposit in the United States mail or one (1) day after deposit with an overnight courier.

26. Americans with Disabilities Act. All Alterations to the Premises constructed by Lessee, whether prior to or after the date Lessee takes possession of the Premises, shall comply with the Americans with Disabilities Act and all regulations promulgated pursuant thereto, as they may be amended from time to time ("ADA"). If, after the date Lessee takes possession of the Premises, Lessee requests that Lessor consent to the performance by Lessee of, any alterations, additions or improvements to the Premises, whether by virtue of expansion, extension or otherwise, Lessee agrees to and shall be responsible for all costs and expenses incurred in connection with any improvements and alterations necessary to ensure compliance with the ADA. The parties intend that any additional alterations, improvements or additions to the Premises required by the ADA after the commencement of this Lease, whether resulting from amendments to the ADA or otherwise, shall be the sole responsibility of Lessee.

27. Taxes. Lessor shall pay and discharge as they become due all taxes and assessments on the Premises. Lessee shall pay, prior to delinquency, all taxes assessed against or levied upon its occupancy of the Premises, or upon the fixtures, furnishings, equipment and all other personal property of Lessee located in the Premises, if nonpayment thereof shall give rise

to a lien on the Premises, and when possible Lessee shall cause said fixtures, furnishings, equipment and other personal property to be assessed and billed separately from the property of Lessor. In the event any or all of Lessee's fixtures, furnishing, equipment and other personal property, or upon Lessee's occupancy of the Premises, shall be assessed and taxed with the property of Lessor, Lessee shall pay to Lessor its share of such taxes within ten (10) days after delivery to Lessee by Lessor of a statement in writing setting forth the amount of such taxes applicable to Lessee's fixtures, furnishings, equipment or personal property.

28. Hazardous Devices and Contaminants.

(a) Prohibition. Except for Contaminants (as hereinafter defined) used in the ordinary course of business in compliance with Requirements of Law (as hereinafter defined), Lessee and its agents, employees, contractors and invitees shall not use, store, release, generate or dispose of or permit to be used, stored, released, generated or disposed of any Contaminants on or in the Premises.

(b) Indemnification. Lessee shall indemnify and hold harmless Lessor, its agents, servants, employees, officers and directors forever from and against any and all liability, claims, demands and causes of action, including, but not limited to, any and all liability, claims, demands and causes of action by any governmental authority, property owner or any other third person and any and all expenses, including but not limited to attorneys' fees, relating to any environmental liability resulting from: (i) any Release (as hereinafter defined) of any Contaminant at the Premises or emanating from the Premises to adjacent properties or the surrounding environment during the Term of this Lease; (ii) during the Term of this Lease, any generation, transport, storage, disposal, treatment or other handling of any Contaminant at the Premises, including, but not limited to, any and all off-site transport, storage, disposal, treatment or other handling of any Contaminant generated, produced, used and/or originating in whole or in part from the Premises; and (iii) any activities at the Premises during the Term of this Lease that in any way might be alleged to fail to comply with any Requirements of Law.

(c) Definitions.

(i) "Contaminant" shall mean any substance or waste containing hazardous substances, pollutants and contaminants as those terms are defined in the federal

Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. and any substance similarly defined or identified in any other federal, provincial or state laws, rules or regulations governing the manufacture, import, use, handling, storage, processing, release or disposal of substances or wastes deemed hazardous, toxic, dangerous or injurious to public health or to the environment. This definition includes friable asbestos and petroleum or petroleum-based products.

(ii) “Requirements of Law” shall mean any federal, state or local law, rule, regulation, permit, agreement, order or other binding determination of any governmental authority relating to the environment, health or safety.

(iii) “Release” shall have the same meaning as in the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. C. Section 9601, et seq.

29. Inspection and Access. Lessee shall permit Lessor, its agents, employees and contractors, during Lessee’s business hours upon reasonable prior notice, or at any other time without notice, to take any and all measures, including inspections, repairs, alterations, additions and improvements to the Premises, as may be necessary or desirable to safeguard, protect or preserve the Premises or Lessor’s interests; to operate or improve the Premises; to comply on behalf of Lessee with all laws, orders and requirements of governmental or other authority (if Lessee fails to do so); to examine the Premises to verify Lessee’s compliance with all of the terms, covenants, obligations and conditions of this Lease; or to exercise any rights with respect to the Premises that Lessor may exercise in the event of default by Lessee. Lessee shall not install any equipment which will exceed the capacity of the utility facilities for the Premises, and any equipment necessary to increase utility capacity shall be installed at Lessee’s expense. Lessor shall have access during the Term of this Lease for the purpose of exhibiting the Premises for sale, and Lessor shall have the right to place signs in or on the Premises advertising the same for sale.

30. Signs. Lessee may erect, maintain, permit and remove such signs as Lessee deems appropriate on or about the Premises with the prior consent of Lessor, which consent shall not be unreasonably withheld.

31. **Gender and Number.** Whenever words are used herein in any gender, they shall be construed as though they were used in the gender appropriate to the context and the circumstances, and whenever words are used herein in the singular or plural form, they shall be construed as though they were used in the form appropriate to the context and the circumstances.

32. **Topic Headings.** Headings and captions in this Lease are inserted for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease nor constitute any part of this Lease and are not to be considered in the construction of this Lease.

33. **Counterparts.** Several copies of this Lease may be executed by all of the parties. All executed copies constitute one and the same Lease, binding upon all parties.

34. **Entire Agreement.** This Lease contains the entire understanding between the parties and supersedes any prior understanding or agreements between them respecting the subject matter. No representations, arrangement or understandings except those fully expressed herein, are or shall be binding upon the parties. No changes, alterations, modifications, additions or qualifications to the terms of this Lease shall be made or be binding unless made in writing and signed by each of the parties.

35. **Recording Memorandum.** The parties agree that this Lease shall not be recorded, but a Memorandum of Lease may be executed setting forth the description of the Premises, the Term of this Lease and other pertinent provisions, which Memorandum of Lease may be recorded by either party in lieu of recordation of this Lease.

36. **Governing Law; Invalidity of any Provisions.** This Lease shall be subject to and governed by the laws of the Commonwealth of Kentucky, without giving effect to its conflicts of law principles. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the other terms of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

37. **Rules and Regulations.** Lessee, its agents, employees, officers, directors, visitors and invitees shall at all times observe, perform and abide by the Rules and Regulations

attached hereto as Exhibit B, hereby made a part of this Lease, together with such other rules and regulations Lessor may adopt, and all other federal, state, and local statutes, rules and regulations.

38. Interpretation. The parties hereto acknowledge and agree that: (i) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Lease, and (ii) the terms and provisions of this Lease shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Lease.

39. Miscellaneous.

(a) No receipt of money by Lessor from Lessee after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Premises shall reinstate, continue or extend the Term of this Lease or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required.

(b) The term "Lessor" as used in this Lease, so far as covenants or agreements on the part of Lessor are concerned, shall be limited to mean and include only the owner for the time being of the Premises. If the Premises be sold or transferred, the seller thereof shall be automatically and entirely released of all covenants and obligations under this Lease from and after the date of conveyance or transfer, provided the purchaser on such sale has assumed and agreed to carry out all covenants and obligations contained in this Lease to be performed on the part of Lessor hereunder, it being hereby agreed that the covenants and obligations contained in this Lease shall be binding on Lessor, its successors and assigns, only during their respective successive period of ownership.

(c) In the event of any sale or transfer of Lessor's interest in the Premises, whether that interest be a fee interest or a leasehold interest, then from and after the closing of such sale or lease transfer, Lessor is hereby completely released and forever discharged from and of all covenants, obligations, and liabilities hereunder.

(d) Lessor shall be entitled to accept, receive and cash or deposit any payment made by Lessee for any reason or purpose or in any amount whatsoever, and apply the same at

Lessor's option to any obligation of Lessee and the same shall not constitute payment of any amount owed except that to which Lessor has applied the same. No endorsement or statement on any check or letter of Lessee shall be deemed an accord and satisfaction or otherwise recognized for any purpose whatsoever. The acceptance of any such checks or payments shall not prejudice Lessor's right to recover any and all amounts owed by Lessee under this Lease and Lessor's right to pursue any other available remedy.

(e) Any provision which by its terms has or may have application after the termination for any reason of this Lease, including, but not limited to all of Lessee's covenants of indemnity, shall be deemed to survive the termination for any reason of this Lease.

(f) This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided that this provision shall in no manner enlarge Lessee's rights of assignment, which right of assignment has been restricted under the foregoing provisions of this Lease.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

LESSOR: Roy F Collier Community Center

By: Kendra Fletcher

Its: Executive Director

STATE OF KENTUCKY)

COUNTY OF MARTIN)

The foregoing Lease Agreement was subscribed, sworn to and acknowledged before me on this the 1st day of August, 2020, by Kendra Fletcher of Roy F. Collier Community Center, for and on behalf of said company.

My Commission Expires: 8-26-23

Patricia Webb
Notary Public, State at Large, Kentucky

LESSEE: MCWD

By: DK

Its: Chairman

STATE OF Kentucky
COUNTY OF Martin

The foregoing Lease Agreement was subscribed, sworn to and acknowledged before me on this the 28th day of July, 2020 by James Kerr, of Martin Co Water District, a Utility Billing Office for and on behalf of said Martin County Utility Board.

My Commission Expires: 05-28-2024

Carly Crum
Notary Public

Martin County Water District
 Schedule of Construction in Progress
 G/L ACCT# 1350
 12/31/2020

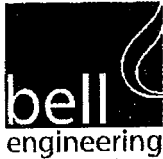
Attachment 4

Payment Date	Payee	Project	PSC Ref #	Date Compltd	P/Yr Amount	Additions	C/Yr Amount
--------------	-------	---------	-----------	--------------	-------------	-----------	-------------

CONSTRUCTION IN PROGRESS

ARC Water System Improvements							
Jan-20	Beginning Balance				0.00		
Feb-20	Bell Engineering		4a			2,400.00	
Feb-20	Bell Engineering		4b			9,600.00	
Mar-20	Bell Engineering		4c			10,200.00	
Mar-20	Big Sandy		4d			1,800.00	
Apr-20	Bell Engineering		4e			9,600.00	
May-20	Bell Engineering		4f			7,500.00	
May-20	Big Sandy		4g			1,345.00	
Jun-20	Bell Engineering		4h			10,900.00	
Jul-20	Bell Engineering		4i			10,000.00	
Dec-20	Bell Engineering	ARC Water System Imprvs	4j			12,970.40	
Dec-20	Bell Engineering	ARC Water System Imprvs	4k			2,250.00	
Dec-20	Bell Engineering	ARC Water System Imprvs	4l			17,250.00	
Dec-20	Bell Engineering	ARC Water System Imprvs	4m			2,594.08	
Dec-20	Bell Engineering	ARC Water System Imprvs	4n			9,715.38	
Dec-20	Bell Engineering	ARC Water System Imprvs	4o			15,024.84	
Dec-20	Bell Engineering	ARC Water System Imprvs	4p			500.00	
Dec-20	Bell Engineering	ARC Water System Imprvs	4q			15,000.00	
Dec-20	Big Sandy	BSADD Project Admin.	4r			3,000.00	
Dec-20	Big Sandy	BSADD Project Admin.	4s			3,000.00	
Dec-20	Boca Enterprises		4t			66,352.00	
Dec-20	Boca Enterprises		4u			120,040.20	
Total							331,041.90

TOTAL CONSTRUCTION IN PROGRESS 331,041.90



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 12/31/19

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224

Invoice No. 190973

Account No. 113-024
thru 028

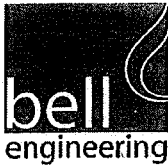
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-025	Design	\$60,000.00	37%	\$22,200.00	\$19,800.00	\$2,400.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	\$55,000.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$155,000.00		\$22,200.00	\$19,800.00	\$2,400.00

TOTAL DUE THIS INVOICE:

\$2,400.00



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224

Date: 1/31/2020

Invoice No. 200037

Account No. 113-024
thru 028

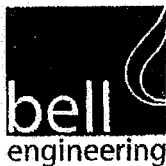
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-025	Design	\$60,000.00	53%	\$31,800.00	\$22,200.00	\$9,600.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	\$55,000.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$155,000.00		\$31,800.00	\$22,200.00	\$9,600.00

TOTAL DUE THIS INVOICE:

\$9,600.00



2480 Fortune Drive
 Suite 350
 Lexington, KY 40509

INVOICE

Phone (859) 278-5412
 Fax (859) 278-2911

In Account With

Date: 2/29/2020

MARTIN COUNTY WATER DISTRICT
 ATTN: JIMMY KERR, CHAIRMAN
 387 E MAIN ST, STE 140
 INEZ KY 41224

Invoice No. 200101

Account No. 113-024
 thru 028

for Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-025	Design	\$60,000.00	70%	\$42,000.00	\$31,800.00	\$10,200.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	<u>\$55,000.00</u>	0%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Totals	\$155,000.00		\$42,000.00	\$31,800.00	\$10,200.00

TOTAL DUE THIS INVOICE:

\$10,200.00



BIG SANDY ADD

110 Resource Court
Prestonsburg, KY 41653
(606) 886-2374 fax (606) 886-3382

Invoice No.

2

INVOICE

Customer

Name Martin County Water District
Address 387 Main Street
City Inez KY ZIP 41224
Phone

Date 3/4/2020
Order No.
Rep
FOB

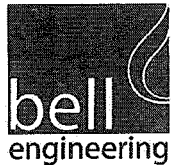
Qty	Description	Unit Price	TOTAL
1	BSADD Project Administration Services	\$1,800.00	\$1,800.00
1		\$0.00	\$0.00

Payment Details

- Project ID:
- Martin County Water System ARC
- Project

Subtotal	\$1,800.00
Shipping & Handling	\$0.00
Taxes State	\$0.00
TOTAL	\$1,800.00

Date of Service : 9/4/2019 to
2/29/2020



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 3/31/2020

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224

Invoice No. 200197

Account No. 113-024
thru 028

For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-025	Design	\$60,000.00	86%	\$51,600.00	\$42,000.00	\$9,600.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	\$55,000.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$155,000.00		\$51,600.00	\$42,000.00	\$9,600.00

TOTAL DUE THIS INVOICE:

\$9,600.00



2480 Fortune Drive
 Suite 350
 Lexington, KY 40509

INVOICE

Phone (859) 278-5412
 Fax (859) 278-2911

In Account With

Date: 4/30/2020

MARTIN COUNTY WATER DISTRICT
 ATTN: JIMMY KERR, CHAIRMAN
 387 E MAIN ST, STE 140
 INEZ KY 41224

Invoice No. 200257

Account No. 113-024
 thru 028

For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	45%	\$4,500.00	\$0.00	\$4,500.00
113-025	Design	\$60,000.00	91%	\$54,600.00	\$51,600.00	\$3,000.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	\$55,000.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$155,000.00		\$59,100.00	\$51,600.00	\$7,500.00

TOTAL DUE THIS INVOICE:

\$7,500.00



BIG SANDY ADD

110 Resource Court
Prestonsburg, , KY 41653
(606) 886-2374 fax (606) 886-3382

Invoice No. 3

INVOICE

Customer

Name	Martin County Water District		
Address	387 Main Street		
City	Inez	KY	ZIP 41224
Phone			

Date	4/29/2020
Order No.	
Rep	
FOB	

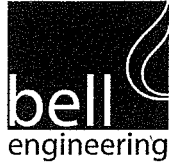
Qty	Description	Unit Price	TOTAL
1	BSADD Project Administration Services	\$1,345.00	\$1,345.00
1		\$0.00	\$0.00

Payment Details

- Project ID:
- Martin County Water System ARC
- Project

Subtotal	\$1,345.00
Shipping & Handling	\$0.00
Taxes State	\$0.00
TOTAL	\$1,345.00

Date of Service : 2/29/2020 to 04/29/2020



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 5/31/2020

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224

Invoice No. 200367

Account No. 113-024
thru 028

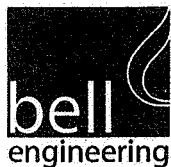
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	100%	\$10,000.00	\$4,500.00	\$5,500.00
113-025	Design	\$60,000.00	100%	\$60,000.00	\$54,600.00	\$5,400.00
113-026	Bidding	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	\$55,000.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$155,000.00		\$70,000.00	\$59,100.00	\$10,900.00

TOTAL DUE THIS INVOICE:

\$10,900.00



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 6/30/2020

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224

Invoice No. 200434

Account No. 113-024
thru 028

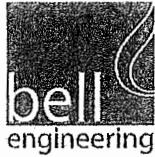
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-025	Design	\$60,000.00	100%	\$60,000.00	\$60,000.00	\$0.00
113-026	Bidding	\$10,000.00	100%	\$10,000.00	\$0.00	\$10,000.00
113-027	Construction Administration	\$20,000.00	0%	\$0.00	\$0.00	\$0.00
113-028	RPR Services	<u>\$55,000.00</u>	0%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Totals	\$155,000.00		\$80,000.00	\$70,000.00	\$10,000.00

TOTAL DUE THIS INVOICE:

\$10,000.00



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 8/31/2020

MARTIN COUNTY WATER DISTRICT
BIG SANDY AREA DEVELOPMENT DISTRICT
ATTN: MONICA SPRIGGS
110 RESOURCE CT
PRESTONSBURG KY 41653
monica.spriggs@bigsandy.org

Invoice No. 200602

Account No. 113-038
thru 041

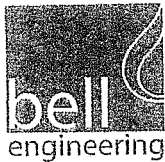
For Engineering Services In Connection With:

ARC Water System Improvements Phase 2

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-038	Design	\$32,426.00	48%	\$15,564.48	\$2,594.08	\$12,970.40
113-039	Permitting	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-040	Construction Administration	\$9,264.00	0%	\$0.00	\$0.00	\$0.00
113-041	RPR Services	<u>\$34,105.00</u>	0%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Totals	\$85,795.00		\$15,564.48	\$2,594.08	\$12,970.40

TOTAL DUE THIS INVOICE:

\$12,970.40



2480 Fortune Drive
 Suite 350
 Lexington, KY 40509

INVOICE

Phone (859) 278-5412
 Fax (859) 278-2911

In Account With

Date: 9/30/2020

MARTIN COUNTY WATER DISTRICT
 ATTN: JIMMY KERR, CHAIRMAN
 387 E MAIN ST, STE 140
 INEZ KY 41224
 monica.spriggs@bigsandy.org

Invoice No. 200705

Account No. 113-024
 thru 028

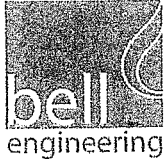
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-025	Design	\$60,000.00	100%	\$60,000.00	\$60,000.00	\$0.00
113-026	Bidding	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-027	Construction Administration	\$20,000.00	3%	\$600.00	\$0.00	\$600.00
113-028	RPR Services	\$55,000.00	3%	\$1,650.00	\$0.00	\$1,650.00
Totals		\$155,000.00		\$82,250.00	\$80,000.00	\$2,250.00

TOTAL DUE THIS INVOICE:

\$2,250.00



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 10/31/2020

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224
monica.spriggs@bigsandy.org

Invoice No. 200778

Account No. 113-024
thru 028

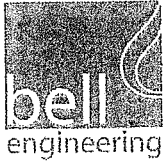
For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-025	Design	\$60,000.00	100%	\$60,000.00	\$60,000.00	\$0.00
113-026	Bidding	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-027	Construction Administration	\$20,000.00	26%	\$5,200.00	\$600.00	\$4,600.00
113-028	RPR Services	\$55,000.00	26%	\$14,300.00	\$1,650.00	\$12,650.00
	Totals	\$155,000.00		\$99,500.00	\$82,250.00	\$17,250.00

TOTAL DUE THIS INVOICE:

\$17,250.00



2480 Fortune Drive
 Suite 350
 Lexington, KY 40509

INVOICE
 Phone (859) 278-5412
 Fax (859) 278-2911

In Account With

Date: 7/31/2020

MARTIN COUNTY WATER DISTRICT
 BIG SANDY AREA DEVELOPMENT DISTRICT
 ATTN: MONICA SPRIGGS
 110 RESOURCE CT
 PRESTONSBURG KY 41653
 monica.spriggs@bigsandy.org

Invoice No. 200504
 Account No. 113-038
 thru 041

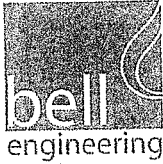
For Engineering Services In Connection With:

ARC Water System Improvements Phase 2

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-038	Design	\$32,426.00	8%	\$2,594.08	\$0.00	\$2,594.08
113-039	Permitting	\$10,000.00	0%	\$0.00	\$0.00	\$0.00
113-040	Construction Administration	\$9,264.00	0%	\$0.00	\$0.00	\$0.00
113-041	RPR Services	<u>\$34,105.00</u>	0%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Totals		\$85,795.00		\$2,594.08	\$0.00	\$2,594.08

TOTAL DUE THIS INVOICE:

\$2,594.08



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 10/31/2020

MARTIN COUNTY WATER DISTRICT
BIG SANDY AREA DEVELOPMENT DISTRICT
ATTN: MONICA SPRIGGS
110 RESOURCE CT
PRESTONSBURG KY 41653
monica.spriggs@bigsandy.org

Invoice No. 200779

Account No. 113-038
thru 041

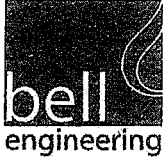
For Engineering Services In Connection With:

ARC Water System Improvements Phase 2

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-038	Design	\$32,426.00	95%	\$30,804.70	\$26,589.32	\$4,215.38
113-039	Permitting	\$10,000.00	95%	\$9,500.00	\$4,000.00	\$5,500.00
113-040	Construction Administration	\$9,264.00	0%	\$0.00	\$0.00	\$0.00
113-041	RPR Services	\$34,105.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$85,795.00		\$40,304.70	\$30,589.32	\$9,715.38

TOTAL DUE THIS INVOICE:

\$9,715.38



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 9/30/2020

MARTIN COUNTY WATER DISTRICT
BIG SANDY AREA DEVELOPMENT DISTRICT
ATTN: MONICA SPRIGGS
110 RESOURCE CT
PRESTONSBURG KY 41653
monica.spriggs@bigsandy.org

Invoice No. 200706

Account No. 113-038
thru 041

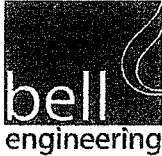
For Engineering Services In Connection With:

ARC Water System Improvements Phase 2

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-038	Design	\$32,426.00	82%	\$26,589.32	\$15,564.48	\$11,024.84
113-039	Permitting	\$10,000.00	4%	\$4,000.00	\$0.00	\$4,000.00
113-040	Construction Administration	\$9,264.00	0%	\$0.00	\$0.00	\$0.00
113-041	RPR Services	<u>\$34,105.00</u>	0%	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Totals	\$85,795.00		\$30,589.32	\$15,564.48	\$15,024.84

TOTAL DUE THIS INVOICE:

\$15,024.84



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

MARTIN COUNTY WATER DISTRICT
BIG SANDY AREA DEVELOPMENT DISTRICT
ATTN: MONICA SPRIGGS
110 RESOURCE CT
PRESTONSBURG KY 41653
monica.spriggs@bigsandy.org

Date: 11/30/2020

Invoice No. 200868

Account No. 113-038
thru 041

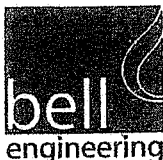
For Engineering Services In Connection With:

ARC Water System Improvements Phase 2

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-038	Design	\$32,426.00	95%	\$30,804.70	\$30,804.70	\$0.00
113-039	Permitting	\$10,000.00	100%	\$10,000.00	\$9,500.00	\$500.00
113-040	Construction Administration	\$9,264.00	0%	\$0.00	\$0.00	\$0.00
113-041	RPR Services	\$34,105.00	0%	\$0.00	\$0.00	\$0.00
	Totals	\$85,795.00		\$40,804.70	\$40,304.70	\$500.00

TOTAL DUE THIS INVOICE:

\$500.00



2480 Fortune Drive
Suite 350
Lexington, KY 40509

INVOICE

Phone (859) 278-5412
Fax (859) 278-2911

In Account With

Date: 11/30/2020

MARTIN COUNTY WATER DISTRICT
ATTN: JIMMY KERR, CHAIRMAN
387 E MAIN ST, STE 140
INEZ KY 41224
monica.spriggs@bigsandy.org

Invoice No. 200867

Account No. 113-024
thru 028

For Engineering Services In Connection With:

ARC Water System Improvements

Bell Job #	Description	Fee	% Complete	Fee Earned To Date	Less: Amount Previously Invoiced	Amount Due This Invoice
113-024	KYTC Encroachment Permits	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-025	Design	\$60,000.00	100%	\$60,000.00	\$60,000.00	\$0.00
113-026	Bidding	\$10,000.00	100%	\$10,000.00	\$10,000.00	\$0.00
113-027	Construction Administration	\$20,000.00	46%	\$9,200.00	\$5,200.00	\$4,000.00
113-028	RPR Services	\$55,000.00	46%	\$25,300.00	\$14,300.00	\$11,000.00
	Totals	\$155,000.00		\$114,500.00	\$99,500.00	\$15,000.00

TOTAL DUE THIS INVOICE:

\$15,000.00



BIG SANDY ADD

110 Resource Court
 Prestonsburg, , KY 41653
 (606) 886-2374 fax (606) 886-3382

Invoice No.

4

INVOICE

Customer

Name	Martin County Water District		
Address	387 Main Street		
City	Inez	KY	ZIP 41224
Phone			

Date	10/12/2020
Order No.	
Rep	
FOB	

Qty	Description	Unit Price	TOTAL	
1	BSADD Project Administration Services	\$3,000.00	\$3,000.00	
1		\$0.00	\$0.00	
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		#N/A		
		Subtotal	#N/A	
		Shipping & Handling	#N/A	
		Taxes State	\$0.00	
			#N/A	
		TOTAL	#N/A	

Payment Details

- Project ID:
- Martin County Water System ARC
- Project

Shipping & Handling
 Taxes State

#N/A
#N/A
\$0.00
#N/A

Date of Service : 4/30/2020 to
 09/30/2020

		Contractor's Application for Payment No. 1
	Application Period: 09/21/2020 - 10/16/2020	Application Date: 10/16/2020
To (Owner): Martin County Water District	From (Contractor): Boca Enterprises, Inc.	Via (Engineer): Bell Engineering
Project: Water Line Replacement in the Lovely Area	Contract: 113-19-04	
Owner's Contract No.: 113-19-04	Contractor's Project No.:	Engineer's Project No.: 113-19-04

Application for Payment

Change Order Summary

Approved Change Orders	Additions	Deductions
Number		
TOTALS		
NET CHANGE BY CHANGE ORDERS		

1. ORIGINAL CONTRACT PRICE.....	\$749,685.00
2. Net change by Change Orders.....	\$0.00
3. CURRENT CONTRACT PRICE (Line 1 ± 2).....	\$749,685.00
4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate).....	\$73,725.00
5. RETAINAGE:	
a. 10 % x \$73,725.00 Work Completed	\$7,372.50
b. 10 % x \$0.00 Stored Materials	\$0.00
c. Total Retainage (Line 5a + 5b).....	\$7,372.50
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c).....	\$66,352.50
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$0.00
8. AMOUNT DUE THIS APPLICATION.....	\$66,352.50
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate + Line 5 above).....	\$663,332.50

Contractor's Certification

The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to OWNER indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this application for Payment is in accordance with the Contract Documents and is not defective.

Payment of:	\$66,352.50 (Line 8 or other - attach explanation of other amount)	
is recommended by:	<i>Gail Teal</i> BELL ENGINEERING RESIDENT PROJECT REPRESENTATIVE	<u>10-28-2020</u> (Date)
is recommended by:	<i>Steph Cardell</i> BELL ENGINEERING	<u>10-28-2020</u> (Date)
Payment of:	\$66,352.50 (Line 8 or other - attach explanation of other amount)	
is approved by:	<i>[Signature]</i> MARTIN COUNTY WATER DISTRICT	<u>10-28-2020</u> (Date)
Approved by:	Funding Agency (if applicable)	(Date)

By: <i>[Signature]</i>	Date: <u>10-28-2020</u>
------------------------	-------------------------

Progress Estimate										Contractor's Application
For (contract): Contract 113-19-04, Water Line Replacement in the Lovely Area							Application Number:			
Application Period:							Application Date:			
A		Bid Quantity	Unit Value	B	C	D	E	F		G
Item	Description							Value	Materials Presently Stored (not in C)	
Specification Section No.										
Division "A"										
1.	6-Inch C900, DR14 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	11,690	\$23.50	\$274,715.00	2,880	\$67,680.00		\$67,680.00	25%	\$207,035.00
2.	3-inch SDR 13.5 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	285	\$11.00	\$3,135.00	0	\$0.00		\$0.00	0%	\$3,135.00
3.	6-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	3	\$1,400.00	\$4,200.00	1	\$1,400.00		\$1,400.00	33%	\$2,800.00
4.	3-Inch Mechanical Joint Resilient Seated Gate Valve and Box, Including Concrete Collar, Complete	1	\$1,000.00	\$1,000.00	0	\$0.00		\$0.00	0%	\$1,000.00
5.	5/8-Inch x 3/4-Inch Meter Setting, Including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Touch Read Assembly, Furnish and Install, Complete	37	\$500.00	\$18,500.00	0	\$0.00		\$0.00	0%	\$18,500.00
6.	3/4-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	1,950	\$11.00	\$21,450.00	0	\$0.00		\$0.00	0%	\$21,450.00
7.	1-Inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Copper Tracer Wire, Unclassified Excavation, Complete	500	\$11.25	\$5,625.00	0	\$0.00		\$0.00	0%	\$5,625.00
8.	1-Inch Corporation Stop, Furnish and Install, Complete	6	100	\$600.00	0	\$0.00		\$0.00	0%	\$600.00
9.	12-Inch x 0.375-Inch Steel Cover Pipe, including Casing Spacers and End Seals, Furnish and Install, Complete (by open cut or boring)	60	\$40.00	\$2,400.00	0	\$0.00		\$0.00	0%	\$2,400.00
10.	Boring or Jacking for 12-Inch Steel Cover Pipe, Unclassified Excavation	60	\$135.00	\$8,100.00	0	\$0.00		\$0.00	0%	\$8,100.00

Progress Estimate						Contractor's Application				
For (contract): Contract 113-19-04, Water Line Replacement in the Lovely Area						Application Number:				
Application Period:						Application Date:				
A		Bid Quantity	Unit Value	B	C	D	E	F		G
Item	Description							Value	Materials Presently Stored (not in C)	
Specification Section No.										
11.	8-Inch x 0.375-Inch Steel Cover Pipe, Including Casing Spacers and End Seals, Furnish and Install, Complete (by open cut or boring)	30	\$35.00	\$1,050.00	0	\$0.00		\$0.00	0%	\$1,050.00
12.	Boring or Jacking for 8-Inch Steel Cover Pipe, Unclassified Excavation	30	\$120.00	\$3,600.00	0	\$0.00		\$0.00	0%	\$3,600.00
13.	Flushing Hydrant Assembly, Furnish and Install, Complete	2	\$3,700.00	\$7,400.00	1	\$3,700.00		\$3,700.00	50%	\$3,700.00
14.	Blow-off Assembly, Furnish and Install, Complete	1	\$4,200.00	\$4,200.00	0	\$0.00		\$0.00	0%	\$4,200.00
15.	Fiberglass Line Marker, Furnish and Install, Complete	5	\$100.00	\$500.00	0	\$0.00		\$0.00	0%	\$500.00
16.	Crushed Rock on Trench Surface, In Place [X LF (225) / 2000 = Tons]	50	\$35.00	\$1,750.00	22	\$770.00		\$770.00	44%	\$980.00
17.	2-Inch Thickness Bituminous Surface Replacement, Trench Width, On Streets, Drives and Roads, Complete	155	\$100.00	\$15,500.00	0	\$0.00		\$0.00	0%	\$15,500.00
18.	Cut Into Existing 6-Inch PVC, Complete	1	\$500.00	\$500.00	0	\$0.00		\$0.00	0%	\$500.00
19.	Cut/Cap Existing Water and Remove Section Of Existing Line	1	\$500.00	\$500.00	0	\$0.00		\$0.00	0%	\$500.00
20.	Cut and Tie Into Existing 6-Inch PVC, Complete	1	\$3,000.00	\$3,000.00	0	\$0.00		\$0.00	0%	\$3,000.00
21.	Install MJ Plug Into Valve	1	\$300.00	\$300.00	0	\$0.00		\$0.00	0%	\$300.00
22.	Master Meter Vault Assembly, Unclassified Excavation, Per Detail, Complete	1	\$12,000.00	\$12,000.00	0	\$0.00		\$0.00	0%	\$12,000.00
23.	Extra for Crushed Rock for Trench Stabilization, Only on Order of the Engineer	20	\$35.00	\$700.00	5	\$175.00		\$175.00	25%	\$525.00
ORIGINAL BID ITEMS CONTRACT 113-19-04				\$390,725.00		\$73,725.00		\$73,725.00		\$317,000.00
ADDITIONAL CONSTRUCTION				\$358,960.00						\$358,960.00
TOTAL CONTRACT 113-19-04				\$749,685.00						\$675,960.00

Stored Material Summary										Contractor's Application	
For (contract): Contract 113-19-04, Water Line Replacement in the Lovely Area								Application Number:			
Application Period:								Application Date:			
A	B	C			D		E		F		G
Invoice No.	Shop Drawing Transmittal No.	Materials Description	Stored Previously		Stored this Month		Incorporated in Work		Materials Remaining in Storage (\$) (D + E - F)		
			Date (Month/Year)	Amount (\$)	Amount (\$)	Subtotal	Date (Month/Year)	Amount (\$)			
											\$0.00
		Totals									

		Contractor's Application for Payment N	
	Application Period: 10/16/2020 - 11/20/2020	Application Date 11/25/2020	
County Water District	From (Contractor) Boca Enterprises, Inc	Via (Engineer) Bell Engineering	
Replacement in the Lovely Area	Contract 113-19-04		
No. 113-19-04	Contractor's Project No	Engineer's Project No 113-19-04	

Change Order Summary

Orders	Additions	Deductions		
			1. ORIGINAL CONTRACT PRICE.....	\$749,685.00
			2. Net change by Change Orders.....	\$0.00
			3. CURRENT CONTRACT PRICE (Line 1 ± 2).....	\$749,685.00
			4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate).....	\$207,103.00
			5. RETAINAGE:	
			a. 10 % x \$207,103.00 Work Completed	\$20,710.30
			b. 10 % x \$0.00 Stored Materials	\$0.00
			c. Total Retainage (Line 5a + 5b).....	\$20,710.30
			6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c).....	\$186,392.70
			7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$66,352.50
			8. AMOUNT DUE THIS APPLICATION.....	\$120,040.20
			9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate + Line 5 above).....	\$563,292.30
TOTALS				

Contractor certifies that: (1) all previous progress payments received from Owner under the Contract have been applied on account to discharge obligations incurred in connection with Work covered by prior Applications for Payment; (2) all Work, materials and equipment incorporated in said Work or otherwise used in connection with this Application for Payment will pass to Owner at time of payment free and clear of all liens and encumbrances (except such as are covered by a Bond Indemnifying Owner against any such Liens, security interest or other claims); and (3) all Work covered by this application for Payment is in accordance with the Contract and is not defective.

Payment of \$120,040.20
(Line 8 or other - attach explanation of other amount)

is recommended by Jeff Teal 11-1-2020
BELL ENGINEERING RESIDENT PROJECT REPRESENTATIVE (Date)

is recommended by: Steph Conkling 12-1-2020
BELL ENGINEERING (Date)

Payment of \$120,040.20
(Line 8 or other - attach explanation of other amount)

is approved by [Signature] 12-2-2020
MARTIN COUNTY WATER DISTRICT (Date)

Approved by _____ Date: 12-1-20

Funding Agency (if applicable) _____ (Date)

Contract 113-19-04, Water Line Replacement in the Lovely Area

Application Number:

Application Date:

A Item	Bid Quantity	Unit Value	B Bid Value	C Estimated Quantity Installed	D Value	E Materials Presently Stored (not in C)	F Total Completed and Stored to Date (D + E)	% (F) B
Description								
8-inch C900, DR14 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	11,690	\$23.50	\$274,715.00	8,480	\$199,280.00		\$199,280.00	73%
1 SDR 13.5 PVC Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, Detectable Tape, Unclassified Excavation, Complete	285	\$11.00	\$3,135.00	0	\$0.00		\$0.00	0%
1 Mechanical Joint Resilient Seated Gate Valve Box, Including Concrete Collar, Complete	3	\$1,400.00	\$4,200.00	2	\$2,800.00		\$2,800.00	67%
1 Mechanical Joint Resilient Seated Gate Valve Box, Including Concrete Collar, Complete	1	\$1,000.00	\$1,000.00	0	\$0.00		\$0.00	0%
1 12-inch x 3/4-Inch Meter Setting, including PRV, Meter, Meter Box, Cover, Corporation Stop, Saddle, Tap, and Meter Read Assembly, Furnish and Install, Complete	37	\$500.00	\$18,500.00	0	\$0.00		\$0.00	0%
1 12-inch Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Meter Tracer Wire, Unclassified Excavation, Complete	1,950	\$11.00	\$21,450.00	0	\$0.00		\$0.00	0%
1 Polyethylene Service Pipe, Furnishing, Trenching, Bedding, Laying and Backfilling, or by Jacking, Meter Tracer Wire, Unclassified Excavation, Complete	500	\$11.25	\$5,625.00	0	\$0.00		\$0.00	0%
1 Corporation Stop, Furnish and Install, Complete	6	100	\$600.00	0	\$0.00		\$0.00	0%
1 12-inch x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Complete (by open cut or boring)	60	\$40.00	\$2,400.00	0	\$0.00		\$0.00	0%
1 12-inch or Jacking for 12-Inch Steel Cover Unclassified Excavation	60	\$135.00	\$8,100.00	0	\$0.00		\$0.00	0%

Contract 113-19-04, Water Line Replacement in the Lovely Area

Application Number:

Application Date:

A		B			C	D	E	F	
Item	Bid Quantity	Unit Value	Bid Value	Estimated Quantity Installed	Value	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F) B	
Description									
8" x 0.375-Inch Steel Cover Pipe, Including Spacers and End Seals, Furnish and Install, Complete (by open cut or boring)	30	\$35.00	\$1,050.00	0	\$0.00		\$0.00	0%	
dig or Jacking for 8-Inch Steel Cover Unclassified Excavation	30	\$120.00	\$3,600.00	0	\$0.00		\$0.00	0%	
installing Hydrant Assembly, Furnish and Install, Complete	2	\$3,700.00	\$7,400.00	1	\$3,700.00		\$3,700.00	50%	
Hydrant Assembly, Furnish and Install, Complete	1	\$4,200.00	\$4,200.00	0	\$0.00		\$0.00	0%	
glass Line Marker, Furnish and Install, Complete	5	\$100.00	\$500.00	0	\$0.00		\$0.00	0%	
Red Rock on Trench Surface, In Place (225 / 2000 = Tons)	50	\$35.00	\$1,750.00	32.8	\$1,148.00		\$1,148.00	66%	
1" Thickness Bituminous Surface Replacement, 12" Width, On Streets, Drives and Roads, Complete	155	\$100.00	\$15,500.00	0	\$0.00		\$0.00	0%	
Disconnect Existing 6-Inch PVC, Complete	1	\$500.00	\$500.00	0	\$0.00		\$0.00	0%	
Cap Existing Water and Remove Section Of Existing Line	1	\$500.00	\$500.00	0	\$0.00		\$0.00	0%	
Disconnect and Tie into Existing 6-Inch PVC, Complete	1	\$3,000.00	\$3,000.00	0	\$0.00		\$0.00	0%	
Install MJ Plug into Valve	1	\$300.00	\$300.00	0	\$0.00		\$0.00	0%	
Install Meter Vault Assembly, Unclassified Excavation, Detail, Complete	1	\$12,000.00	\$12,000.00	0	\$0.00		\$0.00	0%	
Backfill for Crushed Rock for Trench Stabilization, Only Order of the Engineer	20	\$35.00	\$700.00	5	\$175.00		\$175.00	25%	
NAL BID ITEMS CONTRACT 113-19-04			\$390,725.00		\$207,103.00		\$207,103.00		
ADDITIONAL CONSTRUCTION			\$358,960.00						
TOTAL CONTRACT 113-19-04			\$749,685.00						

Attachment 10

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____
2nd Revised SHEET NO. 7

Martin County Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

1st Revised SHEET NO. 7

D. SPECIAL NON-RECURRING CHARGES:

Meter Turn-on Charge	\$ 40.00	
Meter Turn-on Charge (after hours)	\$ 60.00	
Meter Re-read	\$ 40.00	
Meter Test (customer request)	\$ 75.00	
Service Call/Investigation	\$ 40.00	
Service Call/Investigation (after hours)	\$ 60.00	
Meter Relocation	\$ Actual Cost	
Meter Service Damage	\$ Actual Cost	
Meter Reconnection	\$ 40.00	
Meter Reconnection (after hours)	\$ 60.00	
Meter Disconnection	\$ 40.00	(N)
Returned Check Charge	\$ 10.00	
Late Payment Penalty	10%	

DATE OF ISSUE August 22, 2018
Month / Date / Year

DATE EFFECTIVE September 22, 2018
Month / Date / Year

ISSUED BY
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY
PUBLIC SERVICE COMMISSION

Gwen R. Pinson
Executive Director

EFFECTIVE
9/22/2018
PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

INCODE JAN-MAY 2021

<u>METER SIZE</u>	<u>GALLONS SOLD</u>	<u>REVENUE</u>
5/8 INCH	52,344,020	\$708,719.85
1 INCH	1,514,450	\$16,577.19
1-1/2 INCH	96,360	\$2,618.66
2 INCH	3,241,550	\$40,446.48
3 INCH	811,600	\$8,472.15
4 INCH	2,321,000	\$19,646.68
TOTAL	60,328,980	\$796,481.01

	<u>GALLONS SOLD</u>	<u>REVENUE</u>
	Bill Count	Base Rate
Revenue Projection With Rate Increase		
5/8 INCH	16,839	\$37.32
First 2K	33,678,000	\$628,431.48
All Over	18,666,020	\$174,713.95
Total		\$803,145.43
Difference		\$94,425.58
1 INCH	117	\$68.59
First 5k	585,000	\$8,025.03
All Over	929,450	\$8,699.65
Total		\$16,724.68
Difference		\$147.49
1.5 INCH	25	\$120.70
First 10k	25,000	\$3,017.50
All Over	71,360	\$667.93
Total		\$3,685.43
Difference		\$1,066.77
2 INCH	133	\$224.93
First 20k	2,660,000	\$29,915.69
All Over	581,550	\$15,850.79
Total		\$45,766.48
Difference		\$5,320.00
3 INCH	20	\$329.17
First 30k	600,000	\$6,583.40
All Over	211,600	\$3,180.58
Total		\$9,763.98
Difference		\$1,291.83
4 INCH	5	\$537.63
First 50k	250,000	\$2,688.15
All Over	2,071,000	\$19,884.56
Total		\$22,572.71
Difference		\$2,926.03
Total Lost Revenue		\$105,177.69
Annualized		\$252,426.46