

WATER INFRASTRUCTURE PURCHASE AGREEMENT
(for Area Commonly Known as Diamond Acres)

This Water Infrastructure Purchase Agreement (“Agreement”) regarding the water infrastructure located within the boundaries of the area commonly known as “Diamond Acres¹,” located on or near Rosetown Church Road, Corbin, Whitley County, Kentucky, is made and entered into this the 18 day of March, 2024 (“Effective Date”) by and between Jeffrey Sparks, individually and on behalf of Diamond Acres, LLC, as the Developer (“Developer”) of the afore-described Development, having an address of 212 Diamond Lane, Corbin, Kentucky 40701, and Cumberland Falls Highway Water District (“Water District”), having an address of 6926 Cumberland Falls Highway, Corbin, Kentucky 40701. The Developer and the Water District may be referred to individually or collectively as “Parties.”

RECITALS

WHEREAS sometime in or around 2021 and/or 2022, the Developer had engineered and installed utility infrastructure in the form of water line extensions to the Development;

WHEREAS the parties are desirous of the Water District purchasing that infrastructure, with said infrastructure transferred to the Water District;

WHEREAS the parties are desirous of the Water District taking over the operation and maintenance of said infrastructure;

WHEREAS this Agreement is intended to be a binding contract between the Developer and the Water District outlining and memorializing the terms of the parties’ agreement with regards to the Water District’s purchasing of the infrastructure and the Developer’s compensation for the sale of said infrastructure.

WHEREAS, on or about January 19, 2021, the parties entered into a written agreement for Contract for Extension of Water Main providing for reimbursement of water main extensions to the Developer, similar to the manner as set forth in this contract, but as said written agreement did not strictly conform to the Water District’s tariff and was not approved by the Public Service Commission (hereinafter “PSC”), said contract was unenforceable. Nonetheless, the parties wish to honor that agreement;

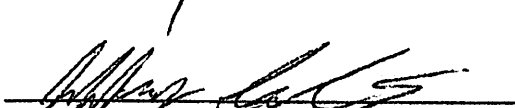
NOW, THEREFORE, in consideration of the mutual covenants, conditions and terms as more fully set forth below, the Developer and the Water District hereby agree as follows:


¹For a more detailed description of the Development, attached hereto and incorporated fully by reference herein is a plat map of the Development.

AGREEMENT

1. From the execution of this Agreement until January 19, 2031, the Water District will pay to the Developer the sum of Four Hundred Eight One Dollars and Fifty Cents (\$481.50) per lot, per tap-on fee. Only one tap on fee is permitted per lot. Said payment shall be made by the Water District within forty-five (45) days of a customer's payment to the Water District of a tap-on fee.
2. The total amount paid by the Water District shall not exceed Forty Five Thousand Seven Hundred Fifty Five Dollars (\$45,755.00). If this amount is paid by the Water District to the Developer, the Developer shall immediately turn over all infrastructure to the Water Company, and neither party will have any continuing obligations under this Agreement.
3. If, as of January 19, 2031, less than \$45,755.00 has been paid by the Water District to the Developer pursuant to the terms of this Agreement, this Agreement shall automatically terminate and the Developer shall relinquish and turn over any and all infrastructure to the Water District, with the Water District owing no additional sums to the Developer.
4. One and only one dwelling may be served by one meter. A customer is defined as a person or entity occupying a place a place where people live or work that uses water and is billed for usage on a monthly basis. The customer is and shall remain solely responsible for the installation and maintenance of the water service line from the water meter to the desired point of service. The customer's water service must be inspected and approved by the Water District before it is covered with dirt or gravel and all fees and deposits must be paid before service will begin.
5. When a new water line extension is placed in service, it becomes a part of the District's system from the point of connection to an existing Water District water line to the customer's meter. The Water District will then accept responsibility for the maintenance and upkeep of the line extension.
6. The Developer and all customers must convey a utility easement to the Water District if an easement is not already in place.
7. All payments due and owing at the time of the execution of this agreement shall be paid within 30 days of the execution of this agreement. All future payments due under this agreement shall be paid annually each December.
8. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, including personal representatives, heirs and legatees, and permitted assigns.
9. All parties stipulate and agree that the Water District is regulated by PSC and must at all times act in accordance with not only its tariff, but all rules and regulations promulgated by the legislature and regulated by PSC. In the event PSC deems this contract to be in violation of any applicable rules, regulations or tariff provisions, this contract is voidable.

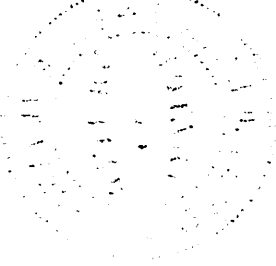
IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement by and through their respective, duly authorized representatives as to this the 22 day of February, 2024.

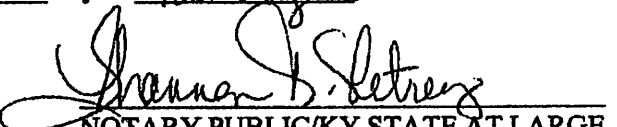

JEFFREY SPARKS, individually and on behalf of DIAMOND ACRES, LLC, as member,


CUMBERLAND FALLS HIGHWAY WATER DISTRICT, by and through MICHAEL BAIRD, its manager, this Agreement being previously approved by the Board

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF WHITLEY)

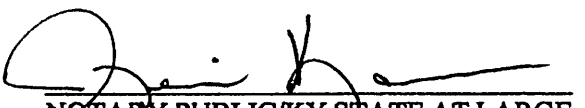
Subscribed and sworn to and acknowledged before me by Jeffrey Sparks, individually and on behalf of Diamond Acres, LLC, this the 22 day of February, 2024.




NOTARY PUBLIC/KY STATE AT LARGE
My Commission Expires: Feb 24, 2025
Ky NP 23689

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF WHITLEY)

Subscribed and sworn to and acknowledged before me by Michael Baird, on behalf of the Cumberland Falls Highway Water District, this the 15 day of March, 2024.


NOTARY PUBLIC/KY STATE AT LARGE
My Commission Expires: 8-31-27
Ky NP 78515

THIS INSTRUMENT PREPARED BY:

/s/ Amanda Hill

AMANDA HILL

HILL & HILL

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