

# EXHIBIT 2

City of Danville Rate Schedule

CONTRACT AMENDMENT

This CONTRACT AMENDMENT made and entered into this 25<sup>th</sup> day of July, 2016, by and between the CITY OF DANVILLE, KENTUCKY, a Municipal Corporation of the Third Class, situated in Boyle County, Kentucky, hereinafter referred to as "SELLER", and the LAKE VILLAGE WATER ASSOCIATION, INC., a non-profit corporation serving Danville, Boyle County, and Harrodsburg, Mercer County, Kentucky, hereinafter referred to as "PURCHASER",

WITNESSETH:

WHEREAS, the parties hereto did on May 29, 1969 enter into an Agreement under which the SELLER agreed to supply unto the PURCHASER a maximum of 2,000,000 gallons of water per month for a term of thirty (30) years with the option of extending the Agreement for a second thirty (30) year term upon expiration of the first thirty (30) year term; and

WHEREAS, the original contract has been amended periodically (on or about December 30, 1969; on or about April 27, 1982; and on or about February 14, 2013) to increase the maximum amount of water PURCHASER may purchase from SELLER each month and to adjust the amounts PURCHASER agrees to pay for water purchased each month from SELLER, but no amendment has been made previously to the language concerning the contract term; and

WHEREAS, under the language of the original Agreement dated May 29, 1969, the Agreement between the PURCHASER and the SELLER is in its second thirty (30) year term, which will expire in 2029, with no additional option to extend said Agreement; and

WHEREAS, the PURCHASER is undertaking a certain capital project and is now requested by its lender (Rural Development) to obtain a forty (40) year Agreement to purchase water from SELLER; and

WHEREAS, both parties desire to continue their good working relationship, and SELLER is of the opinion it can comply with the PURCHASER's request,

NOW THEREFORE, in consideration of the mutual promises and obligations in the original Agreement, dated May 29, 1969, as well as in the amendments which followed as mentioned herein, the parties agree as follows:

1. Numerical paragraph 7 of the original Agreement, dated May 29, 1969, is hereby deleted in its entirety and amended to read as follows: The term of this contract shall be for a period of forty (40) years commencing August 1, 2016.

2. The parties specifically acknowledge that all other items and conditions of the original agreement and amendments thereto shall remain in full force and effect and are incorporated herein by reference.

SELLER:

CITY OF DANVILLE, KENTUCKY


  
\_\_\_\_\_  
MIKE PERROS, MAYOR

ATTEST:

  
\_\_\_\_\_  
DONNA PEEK, CITY CLERK

PURCHASER:

LAKE VILLAGE WATER ASSOCIATION

  
\_\_\_\_\_  
DANNY NOEL, PRESIDENT

ATTEST:

  
\_\_\_\_\_  
EARL CAMPBELL, SECRETARY

CONTRACT AMENDMENT

This CONTRACT AMENDMENT made and entered into this 14<sup>th</sup> day of February, 2013, by and between the CITY OF DANVILLE, KENTUCKY, a Municipal Corporation of the Third Class, situated in Boyle County, Kentucky, hereinafter referred to as "SELLER", and the LAKE VILLAGE WATER ASSOCIATION, INC., a non-profit corporation of Danville, Boyle County, Kentucky, hereinafter referred to as "PURCHASER";

WITNESSETH:

WHEREAS, the parties hereto did on May 29, 1969 enter into an Agreement under which the Seller was obligated to supply unto Purchaser a maximum of 2,000,000 gallons of water per month; and

WHEREAS, on or about December 30, 1969, the maximum amount of water was amended and increased to 5,000,000 gallons per month; and

WHEREAS, on or about August 23, 1977, the Seller did by action of its legislative body increase the maximum limit to 6,000,000 gallons per month and did impose a penalty of two times the normal rate charge for any water consumed over and above said limit; and

WHEREAS, on or about August 27, 1982, the maximum amount of water was amended and increased to 9,000,000 gallons of water per month at normal rate with the penalty of two times the normal rate charge for any water consumed over and above said limit; and

WHEREAS, the parties desire to increase the purchase limit and fix the rate charged to reflect that of other wholesale customers without penalty; and

WHEREAS, the parties desire to allow Purchaser to provide water to North Point Training Facility so long as the water is purchased from Seller and not an alternative source;

NOW, THEREFORE, in consideration of the foregoing, and for and in consideration of the mutual promises and agreements hereinafter set forth, the parties do now agree as follows:

1. Numerical paragraph 1 of the Contract Amendment dated April 27, 1982 between the parties shall be revised and amended to read as follows: Effective March 1, 2013, the Purchaser shall be entitled to purchase from the Seller 665,000 gallons per day or 19,950,000 gallons per month at the normal rate for other wholesale customers, which is hereinafter described in numerical paragraph 2 below. It is explicitly stated that there is no penalty assessed for any water purchased over the allowed amount. Nothing contained herein shall be construed

as creating an obligation upon the Seller to provide water in excess of 19,950,000 gallons per month and, further, the Seller may at its option choose not to supply water exceeding 19,950,000 gallons per month; any sale of water by Seller in excess of 19,950,000 gallons per month shall not constitute a waiver of the limitation and shall not prohibit the Seller from enforcing the limitation during subsequent months.

2. Numerical paragraph 5 of the Agreement dated May 29, 1969 is hereby revised and amended to read as follows: The Purchaser agrees to pay to the Seller monthly upon receiving a bill therefore for water delivered, in accordance with the following schedule of rates, plus applicable state sales and use taxes:

First 20,000 cu. ft. @ \$1.68 per ccf, (minimum bill \$448.00);

Next 80,000 cu. ft. @ \$1.35 per ccf;

Next 100,000 cu. ft. @ \$1.05 per ccf;

Next 300,000 cu. ft. @ \$0.96 per ccf;

All over 500,000 cu. ft. @ \$0.91 per ccf.

3. Seller shall allow Purchaser to furnish water to North Point Training Facility in an amount up to 500,000 gallons per day so long as Purchaser agrees to only purchase that water furnished to North Point Training Facility from Seller and not from an alternative source. The water furnished by Purchaser to North Point Training Facility under this paragraph shall not count against the daily and monthly allowance of Purchaser described in numerical paragraph 1 above.

4. The parties specifically acknowledge that all other terms and conditions of the original agreement and amendments thereto shall remain in full force and effect and are incorporated herein by reference.

SELLER:

CITY OF DANVILLE, KENTUCKY

BY: Bernie Hunstad  
BERNIE HUNSTAD, MAYOR

ATTEST:

Donna Peek  
DONNA PEEK, CITY CLERK

PURCHASER:

LAKE VILLAGE WATER ASSOCIATION,  
INC.

BY: Danny Kay  
PRESIDENT

ATTEST:

Erin Campbell  
SECRETARY

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