

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC INVESTIGATION)	
INTO CANNONSBURG WATER)	
DISTRICT AND ITS INDIVIDUAL)	
COMMISSIONERS TIM WEBB,)	CASE NO.
SAM HAMPTON, ROBERT)	2024-00396
MCGUIRE, PAM VANHOOSE,)	
MARTIN BAYS, AND MARK KAZEE)	
FOR ALLEGED FAILURE TO)	
COMPLY WITH KRS 278.300)	

**RESPONSES OF CANNONSBURG WATER DISTRICT; INDIVIDUALLY
NAMED COMMISSIONERS SAM HAMPTON, ROBERT MCGUIRE,
PAM VANHOOSE, AND MARTIN BAYS; AND GENERAL MANAGER,
TIM WEBB**

By and through the undersigned counsel and in accordance with the Public Service Commission’s Order of April 8, 2025, in the above-captioned proceeding, Cannonsburg Water District (“Cannonsburg District” or the “District”) and the above-named individuals respectfully submit these Responses to the allegations set forth in the Order initiating this proceeding.

Response of Cannonsburg District

In response to the allegations contained in the Commission’s April 8, 2025 Order Cannonsburg District states the following:

1. Mr. Tim Webb is not and has never been a member of Cannonsburg District's Board of Commissioners. Tim Webb is Cannonsburg District's General Manager.

2. Mr. Mark Kazee no longer serves on Cannonsburg District's Board of Commissioners. Mr. Kazee was also not a member of Cannonsburg District's Board of Commissioners in May 2016 when the District entered into the agreement that is the subject of this proceeding. Mr. Kazee was originally appointed to the Board for a four-year term beginning November 16, 2016. He was reappointed to the Board for another four-year term beginning November 17, 2020. On November 12, 2024, Mr. Tim Smith was appointed to replace Mr. Kazee. Therefore, Cannonsburg District **requests that Mark Kazee be dismissed from this proceeding.** Attached to these Responses as **Attachment 1** is documentation of Mr. Smith's replacement of Mr. Kazee.

3. Cannonsburg District denies that it violated KRS 278.300 by entering into a Master Equity Lease Agreement, Maintenance Agreement, and Maintenance Management and Fleet Rental Agreement (collectively "the Agreement") with Enterprise Fleet Management, Inc. ("Enterprise Fleet Management") in May 2016; by accepting delivery of various vehicles since May 2016 under the terms of the Agreement; or by paying Enterprise Fleet Management the "Total Monthly Rental

Including Additional Services” fee for any vehicle since May 2016. The Agreement is attached to these Responses as **Attachment 2**.

4. In early 2016 Cannonsburg District did not possess an adequate fleet of vehicles to service its customers. The District had only three operational vehicles. One was a large utility service truck that was used to pull an excavator. This truck was too large and unsuitable to use to fulfill most work orders. The second operable vehicle was a pick-up truck used by the Field Foreman, and the third was a vehicle equipped with meter reading equipment. With only these vehicles at its disposal, Cannonsburg District could not simultaneously dispatch two field crews, each to a separate area of its service territory.

5. In the May 1, 2016; May 8, 2016; and May 15, 2016 issues of *The Ashland Daily Independent* Cannonsburg District advertised for bids for a fleet management system that included procurement, surplus, maintenance, and fuel management. There was one bidder in response to the advertisement and on May 18, 2016, the Board of Commissioners of Cannonsburg District gave its General Manager, Tim Webb, authority to enter into the Agreement. Attached to these Responses as **Attachment 3** is the affidavit of publication of the advertisement for bids. The Minutes of the May 18, 2016 Board meeting are attached to these Responses as **Attachment 4**.

6. The Agreement is not an evidence of indebtedness, and therefore Commission approval was not required for Cannonsburg District to enter into this contract with Enterprise Fleet Management.

7. The Agreement is a contract for the use of goods (motor vehicles and fuel) and services (vehicle procurement, maintenance, and sales). It is not a security, note, bond or stock.

8. The Agreement is open-ended and not for any specific term. However, because Cannonsburg District is a special purpose governmental entity, Enterprise Fleet Management utilized a non-appropriation provision (Master Equity Lease Agreement, Paragraph 19) that is standard in its contracts with governmental entities. Paragraph 19 of the Master Equity Lease Agreement recognizes that the lease terms are contingent on the annual appropriation of funds to continue operation under the Agreement. The Agreement does not “financially bind future governing bodies.” While the language is boilerplate and presumably used more frequently in contracts with cities and county governments, it was included in the Agreement in question and must be acknowledged and given effect. It cannot simply be ignored. Paragraph 19 provides:

Lessee’s funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other

laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within the Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined In Section 3 and Section 14 of this Agreement).

Under the limitations provided in Paragraph 19, Cannonsburg District can end its performance under the Agreement at any time after the first fiscal year following the execution of the Agreement should its Board not allocate the funds to continue operating under the Agreement. As such, even if the Agreement were an evidence of indebtedness, its term would be one year.

According to paragraph 3, “Term and Termination.” of the Maintenance Agreement, it can be terminated on the last day of any month with 60 days prior written notice, and the cancellation provision contained in the Maintenance Management and Fleet Rental Agreement provides that either party can cancel the agreement at any time by giving written notice. Therefore, Cannonsburg District could have terminated the Agreement at any

time after the first year and been responsible only for the cost of rental up to and including the date of termination and any losses suffered by Enterprise Fleet Management for having to sell the vehicles earlier than expected. The level of encumbrance of Cannonsburg District's finances under the terms of the Agreement does not equate to the level of encumbrance involved with issuing a security, note, bond, or stock.

9. Pursuant to KRS 278.300(8) a utility does not need prior Commission approval to issue "notes. . . for proper purposes and not in violation of law, that are payable at periods of not more than two (2) years from the date thereof. . ." A note that is payable within two years from its date of issue does not require Commission approval. The Agreement was not a note, but a contract for the use of goods and services, and it could be terminated after one year. As such, the term applicable to the Agreement is one year. The Agreement was for a proper purpose, which was enabling Cannonsburg District access to sufficient vehicles to service its territory. Therefore, even if the Agreement were an evidence of indebtedness, it would fall within the exception provided in KRS 278.300(8).

Response of General Manager, Tim Webb

Tim Webb, General Manager of Cannonsburg District, adopts and restates paragraphs one (1) through nine (9) of Cannonsburg District's Response. In addition, Tim Webb states:

1. Boyd County utilizes a fleet management agreement to meet its need for motor vehicles. When I was hired by Cannonsburg District in January 2016, the District did not possess adequate vehicles to operate daily and perform the work necessary to maintain the system. In addition, at that time Cannonsburg District was experiencing very high unaccounted-for water loss and it was often necessary to send employees to multiple locations to repair leaks. In seeking the most cost-efficient means to meet the District's need for additional vehicles, I reviewed the fleet management program utilized by the county and recommended that the Board of Commissioners advertise for bids for such a program.

2. Because the District was not borrowing money to participate in the Enterprise Fleet Management program, and because the program is set up so that every time a vehicle under the Agreement was sold the price was applied to the rental cost of a new vehicle, the Agreement did not resemble a financing or "buying on time" arrangement that would require prior Commission approval.

3. I did not believe participating in the Fleet Management program was something that required authorization by the Commission. I would have recommended that the Board pursue such authorization if I had thought there was even a possibility that this arrangement required it.

4. The amount that Cannonsburg District pays for the use of a vehicle under the terms of the Agreement is less than purchasing a vehicle at the state contract price. Enterprise

Fleet Management purchases vehicles directly from the manufacturer. In addition, the Agreement provides Cannonsburg District with cost savings on vehicle maintenance. Enterprise Fleet Maintenance negotiates reduced rates for maintenance of its fleet vehicles with auto mechanic facilities, much the same way that health insurance companies negotiate the rates charged for certain medical services with doctors and hospitals and then pass that savings on to their customers.

**Response of Robert McGuire
Chairman, Board of Commissioners**

Robert McGuire, Chairman of the Board of Commissioners of Cannonsburg Water District adopts and restates paragraphs one (1) through nine (9) of Cannonsburg District's Response. In addition, Robert McGuire states the following:

1. The opening Order of this proceeding included a misspelling of my last name. The correct spelling of my last name is "McGuire."

2. I had absolutely no expectation that entering into a contract for the use of vehicles and the fuel and maintenance necessary to operate the vehicles would be considered the same as financing those vehicles over time. I was aware that the county used a similar program and believed if it was acceptable for the county to do, that it would be acceptable for Cannonsburg Water District to do as a special purpose governmental entity.

3. I was careful to make sure the District properly advertised its request for bids of a fleet management program and believed that once bids were received, the District was free to accept the lowest and best bid and enter into an agreement.

4. I take my responsibility as Chairman very seriously and I strive to make sure Cannonsburg District is following all statutes and regulations applicable to a water district, as well as providing water service to our customers. I was shocked to discover that the Commission considers Cannonsburg District's participation in the Fleet Management Agreement to be in violation of the law.

**Response of Pam Vanhooose
Secretary, Board of Commissioners**

Pam Vanhooose, Secretary of the Board of Commissioners of Cannonsburg Water District adopts and restates paragraphs one (1) through nine (9) of Cannonsburg District's Response. In addition, Pam Vanhooose states the following:

1. I believed the Board of Commissioners had followed the proper procedure when I voted to authorize Cannonsburg District's General Manager, Tim Webb, to enter into a fleet management agreement with Enterprise. The Board had advertised for bids and I honestly believed no further approval was necessary.

2. Entering into the Agreement did not seem to me to be the same as financing a particular vehicle. The vehicles were chosen by Enterprise and Cannonsburg District agreed to pay a certain amount each month for the use of the vehicle, fuel to operate it, and the

maintenance necessary to keep it in good condition. After a certain amount of time Enterprise sold the vehicle and applied the sales price to the rental cost of the next vehicle Cannonsburg would use. This is so different from a typical automotive financing arrangement, it never occurred to me that it would be considered equivalent to taking out an automotive loan.

**Response of Sam Hampton
Treasurer, Board of Commissioners**

Sam Hampton, Treasurer of the Board of Commissioners of Cannonsburg Water District adopts and restates paragraphs one (1) through nine (9) of Cannonsburg District's Response. In addition, Sam Hampton states the following:

1. I was not a member of the Board of Commissioners when the Agreement was approved or executed.
2. At the time I was appointed to the Board, the Fleet Management Agreement was in place and it was the standard business practice of the District for General Manager, Tim Webb, to coordinate the delivery of new vehicles with Enterprise Fleet Management.
3. I had no reason to believe that all required approvals for this arrangement were not in place.

**Response of Martin Bays
Commissioner, Board of Commissioners**

Martin Bays, Commissioner of the Board of Commissioners of Cannonsburg Water District adopts and restates paragraphs one (1) through nine (9) of Cannonsburg District's Response. In addition, Martin Bays states the following:

1. I was not a member of the Board of Commissioners of Cannonsburg District when the Agreement was approved or executed. Attached to these Responses as **Attachment 5** is a record of my appointment by the Boyd County Fiscal Court.

2. I became a member of the Board of Commissioners in November of 2020. At that time, it was a standard business practice for Tim Webb, General Manager, to coordinate the sale of the vehicles that Cannonsburg District was retiring from its fleet with Enterprise Fleet Management and arrange for the delivery of new vehicles.

3. Cannonsburg District's participation in the Fleet Management program did not appear to me to be the equivalent of a typical automotive financing arrangement. I never considered participation in the program to be a "debt" of Cannonsburg District, merely the means to ensure that Cannonsburg District had adequate vehicles for use in operating the utility and a predictable, affordable means to maintain those vehicles. I considered this a business expense, but not a debt.

4. I had no reason to believe that the Fleet Management Agreement did not receive all necessary approvals at the time Cannonsburg District began participating in the program.

Dated: April 24, 2025

Respectfully submitted,

/s/ Tina C. Frederick

Tina C. Frederick

Stoll Keenon Ogden PLLC

300 West Vine Street, Suite 2100

Lexington, Kentucky 40507

Telephone: (859) 231-3951

Fax: (859) 253-1093

tina.frederick@skofirm.com

Damon R. Talley

Stoll Keenon Ogden PLLC

112 North Lincoln Boulevard

P.O. Box 150

Hodgenville, Kentucky 42748

Telephone: (270) 358-3187

Fax: (270) 358-9560

damon.talley@skofirm.com

Counsel for Cannonsburg Water District

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


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AN ELECTRONIC INVESTIGATION)	
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FOR ALLEGED FAILURE TO)	
COMPLY WITH KRS 278.300)	

**CERTIFICATION OF RESPONSE OF
CANNONSBURG WATER DISTRICT
TO COMMISSION'S ORDER**

This is to certify that I have supervised the preparation of Cannonsburg Water District's Response to the allegations contained in the Commission's April 8, 2025 Order. The Response submitted on behalf of Cannonsburg Water District is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

Date: April 24, 2025



Robert McGuire, Chairman
Cannonsburg Water District

SWORN CERTIFICATION AND VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Robert McGuire, being duly sworn, deposes and states that he, as Chairman of the Board of Commissioners for Cannonsburg Water District, has personal knowledge of the matters set forth in his individual response and the response submitted on behalf of Cannonsburg Water District in Kentucky Public Service Commission Case No. 2024-00396, and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Robert McGuire, Chairman
Cannonsburg Water District

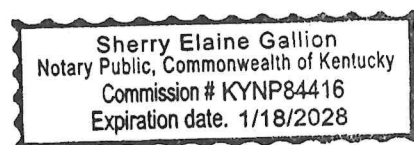
Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 24th day April of 2025.



Notary Public

My Commission Expires: 1/18/2028


Notary ID: KYNP84416



SWORN CERTIFICATION AND VERIFICATION


COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Tim Webb, being duly sworn, deposes and states that he, as General Manager for Cannonsburg Water District, has personal knowledge of the matters set forth in his response in Kentucky Public Service Commission Case No. 2024-00396, and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Tim Webb, General Manager
Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 24th day April of 2025.



Notary Public

My Commission Expires: 1/18/2028

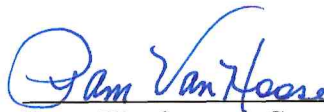
Notary ID: KYNP84416



SWORN CERTIFICATION AND VERIFICATION


COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Pam Vanhooose, being duly sworn, deposes and states that she, as Secretary of the Board of Commissioners for Cannonsburg Water District, has personal knowledge of the matters set forth in her response in Kentucky Public Service Commission Case No. 2024-00396, and the information contained therein is true and correct to the best of her information, knowledge, and belief.



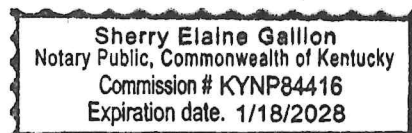
Pam Vanhooose, Secretary
Cannonsburg Water District

Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 24th day April of 2025.


Notary Public

My Commission Expires: 1/18/2028

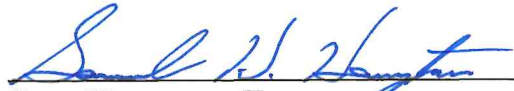
Notary ID: KYPN84416



SWORN CERTIFICATION AND VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Sam Hampton, being duly sworn, deposes and states that he, as Treasurer of the Board of Commissioners for Cannonsburg Water District, has personal knowledge of the matters set forth in his response in Kentucky Public Service Commission Case No. 2024-00396, and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Sam Hampton, Treasurer
Cannonsburg Water District

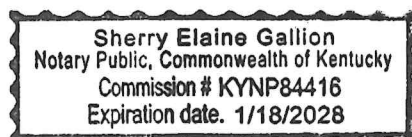
Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 24th day April of 2025.



Notary Public

My Commission Expires: 1/18/2028


Notary ID: KYNP84416



SWORN CERTIFICATION AND VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF BOYD)

The undersigned, Martin Bays, being duly sworn, deposes and states that he, as a Commissioner of the Board of Commissioners for Cannonsburg Water District, has personal knowledge of the matters set forth in his response in Kentucky Public Service Commission Case No. 2024-00396, and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Martin Bays, Commissioner
Cannonsburg Water District

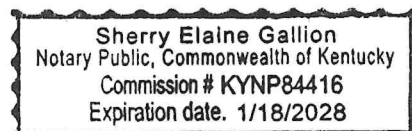
Subscribed, sworn to, and acknowledged before me, a Notary Public in and for said county and state, this 24th day April of 2025.



Notary Public

My Commission Expires: 1/18/2028

Notary ID: KY NP844160



CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was submitted electronically to the Public Service Commission on April 25, 2025, and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding.

/s/ Tina C. Frederick
Tina C. Frederick

COS

Case No. 2024-00396

Attachment 1
Tim Smith's Appointment



C. PHILLIP HEDRICK
County Attorney

PATRICIA A. BALL
County Treasurer

BOYD COUNTY FISCAL COURT

STEVE W. TOWLER, Judge Executive

JOHN R. GREER
County Commissioner
District 1

TOM JACKSON
County Commissioner
District 2

CARL TOLLIVER
County Commissioner
District 3



ED RADJUNAS
Deputy Judge Executive

VALERIE N. SMITH
Economic Development

October 19, 2016

Mark Kazee
12633 Copley Road
Ashland, KY 41102

Dear Mark,

It is my pleasure to inform you that my recommendation to appoint you to the Cannonsburg Water District Board of Commissioners was approved by the Boyd County Fiscal Court at today's regular meeting. Your appointment will be for a period of 4 years and will begin November 16, 2016.

Please get in touch with Tim Webb at the water district office for further details. Thank you for your interest and I want to wish you the very best as you work with Mr. Webb and the other commissioners to make Cannonsburg Water District the very best it can be.

Sincerely,

Steve Towler
Judge Executive

cc: Tim Webb

RECEIVED
OCT 21 2016

BY: TP

ORDERS } Boyd County Fiscal COURT

Ron Cooper Co.

November 17, 2020

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Cannonsburg Water District Appointment

Motion was made by Keith Watts and Seconded by Randy Stapleton to approve the appointment of Marty Bays to the Cannonsburg Water District Board to fulfill the remainder of Kevin Johnston's term.

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Cannonsburg Water District Re-Appointment

Motion was made by Keith Watts and Seconded by Randy Stapleton to re-appoint Sam Hampton and Mark Kazez to the Cannonsburg Water District Board.

Vote as Follows:

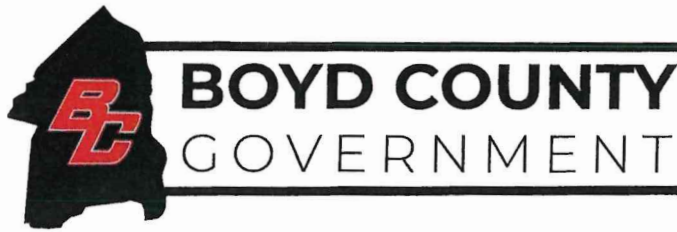
Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Boyd County Extension Office Appointment

Motion was made by Larry Brown and Seconded by Keith Watts to appoint Tyler Delawder and Mike Dixon to the Boyd County Extension Office Board.

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes



ERIC CHANEY, Judge Executive

DAVID SALISBURY
County Commissioner
District 1

JEREMY HOLBROOK
County Commissioner
District 2

RANDY STAPLETON
County Commissioner
District 3

Cannonsburg Water District
1606 Cannonsburg Road
Ashland, Ky 41102

November 13th, 2024
Boyd County Fiscal Court
2800 Louisa St
Catlettsburg, Ky 41129

The Boyd County Fiscal Court met on November 12th, 2024 and appointed Tim Smith to the Cannonsburg Water District Board of Commissioners for a 4 year term.

Sincerely,

Eric Chaney, Judge Executive
Boyd County Fiscal Court

Attachment 2

Enterprise Fleet Management Agreement

3H-501396

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this twenty-eighth day of August, 2015, by and between Enterprise FM Trust, a Delaware statutory trust ("Lessor"), and the lessee whose name and address is set forth on the signature page below ("Lessee").

1. LEASE OF VEHICLES: Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the vehicles (individually, a "Vehicle" and collectively, the "Vehicles") described in the schedules from time to time delivered by Lessor to Lessee as set forth below ("Schedule(s)") for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this "Agreement" shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will, on or about the date of delivery of each Vehicle to Lessee, send Lessee a Schedule covering the Vehicle, which will include, among other things, a description of the Vehicle, the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right, title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management, Inc. or an affiliate thereof (together with any subservicer, agent, successor or assign as servicer on behalf of Lessor, "Servicer") may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2. TERM: The term of this Agreement ("Term") for each Vehicle begins on the date such Vehicle is delivered to Lessee (the "Delivery Date") and, unless terminated earlier in accordance with the terms of this Agreement, continues for the "Lease Term" as described in the applicable Schedule.

3. RENT AND OTHER CHARGES:

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the "Total Monthly Rental Including Additional Services" on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management, Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month, monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments, Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment, being the amount designated as "Depreciation Reserve" on the applicable Schedule, will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the "Total Initial Charges" set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the "Service Charge Due at Lease Termination" set forth in each Schedule at the end of the applicable Term (whether by reason of expiration, early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term, whether as a result of a default by Lessee, a Casualty Occurrence or any other reason, the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78's and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle, additional rent equal to the excess, if any, of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below, twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule, Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing, if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle), (ii) the mileage on a Vehicle at the end of the Term is greater than 15,000 miles per year on average (prorated on a daily basis) (i.e., if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45,000 miles) or (iii) in the sole judgment of Lessor, a Vehicle has been subject to damage or any abnormal or excessive wear and tear, the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The "Book Value" of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term, except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest, payable on demand of Lessor, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the "Default Rate").

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor, Servicer or any other agent of Lessor may, at its option, pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to, any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES: Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with, and cause its drivers to comply with, all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or covering the Vehicles or their use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or to pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a "school bus" as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

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6. **COSTS, EXPENSES, FEES AND CHARGES:** Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. **LICENSE AND CHARGES:** Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. **REGISTRATION PLATES, ETC.:** Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation, which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. **MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES:**

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. **SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES:**

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED "AS IS," "WITH ALL FAULTS." All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability, claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature, caused directly or indirectly, by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle, or any delay in providing or failure to provide any Vehicle, or any interruption or loss of service or use of any Vehicle, or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorization form executed by Lessee if Lessor is unable to locate or purchase a Vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. **RISK OF LOSS:** Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever ("Casualty Occurrence"). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will place the applicable Vehicle in good repair, condition and working order; provided, however, that if the applicable Vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. **INSURANCE:**

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured/Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below (Note - \$5,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers):

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive).

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If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification; (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle and (iii) that the coverage is "primary coverage" for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments if Lessee fails to do so. Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above: (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule; provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may, at its option, replace, rather than repair, the damaged Vehicle with an equivalent vehicle, which replacement vehicle will then constitute the "Vehicle" for purposes of this Agreement; and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12. INDEMNITY: To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges, and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13. INSPECTION OF VEHICLES; ODOMETER DISCLOSURE; FINANCIAL STATEMENTS: Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14. DEFAULT; REMEDIES: The following shall constitute events of default ("Events of Default") by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that it, he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor, The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc.. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made), the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee, without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights

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under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and, if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15. ASSIGNMENTS: Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever, or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle, or by reason of any indebtedness or liability whatsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity, or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, sublease, transfer or pledge this Agreement, any Vehicle, or any interest in this Agreement or in and to any Vehicle, or permit its rights under this Agreement or any Vehicle to be subject to any lien, charge or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16. MISCELLANEOUS: This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy, which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed, with certified mail, postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

17. SUCCESSORS AND ASSIGNS; GOVERNING LAW: Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18. NON-PETITION: Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19. NON-APPROPRIATION: Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE: Connorsburg Water District

LESSOR: Enterprise FM Trust
By: Enterprise Fleet Management, Inc., its attorney in fact

Robert McQuire

Jason Tyra

By: Robert McQuire
Title: Chairman

By: Jason Tyra
Title: Director of Fleet Management

Address: 1606 Connorsburg Road
Ashland, KY 41102

Address: 13425 eastpointe center dr
Louisville, KY 40223

Date Signed: 05/24/16

Date Signed: 5/24 2016

MAINTENANCE AGREEMENT

This Maintenance Agreement (this "Agreement") is made and entered into this twenty-eighth day of August, 2015, by Enterprise Fleet Management, Inc., a Missouri corporation ("EFM"), and ("Lessee").

WITNESSETH

1. **LEASE.** Reference is hereby made to that certain Master Equity Lease Agreement dated as of the twenty-eighth day of August, 2015, by and between Enterprise FM Trust, a Delaware statutory trust, as lessor ("Lessor"), and Lessee, as lessee (as the same may from time to time be amended, modified, extended, renewed, supplemented or restated, the "Lease"). All capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings ascribed to them in the Lease.

2. **COVERED VEHICLES.** This Agreement shall only apply to those vehicles leased by Lessor to Lessee pursuant to the Lease to the extent Section 4 of the Schedule for such vehicle includes a charge for maintenance (the "Covered Vehicle(s)").

3. **TERM AND TERMINATION.** The term of this Agreement ("Term") for each Covered Vehicle shall begin on the Delivery Date of such Covered Vehicle and shall continue until the last day of the "Term" (as defined in the Lease) for such Covered Vehicle unless earlier terminated as set forth below. Each of EFM and Lessee shall each have the right to terminate this Agreement effective as of the last day of any calendar month with respect to any or all of the Covered Vehicles upon not less than sixty (60) days prior written notice to the other party. The termination of this Agreement with respect to any or all of the Covered Vehicles shall not affect any rights or obligations under this Agreement which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to termination, and such rights and obligations shall continue to be governed by the terms of this Agreement.

4. **VEHICLE REPAIRS AND SERVICE.** EFM agrees that, during the Term for the applicable Covered Vehicle and subject to the terms and conditions of this Agreement, it will pay for, or reimburse Lessee for its payment of, all costs and expenses incurred in connection with the maintenance or repair of a Covered Vehicle. This Agreement does not cover, and Lessee will remain responsible for and pay for, (a) fuel, (b) oil and other fluids between changes, (c) tire repair and replacement, (d) washing, (e) repair of damage due to lack of maintenance by Lessee between scheduled services (including, without limitation, failure to maintain fluid levels), (f) maintenance or repair of any alterations to a Covered Vehicle or of any after-market components (this Agreement covers maintenance and repair only of the Covered Vehicles themselves and any factory-installed components and does not cover maintenance or repair of chassis alterations, add-on bodies (including, without limitation, step vans) or other equipment (including, without limitation, lift gates and PTO controls) which is installed or modified by a dealer, body shop, upfitter or anyone else other than the manufacturer of the Covered Vehicle, (g) any service and/or damage resulting from, related to or arising out of an accident, a collision, theft, fire, freezing, vandalism, riot, explosion, other Acts of God, an object striking the Covered Vehicle, improper use of the Covered Vehicle (including, without limitation, driving over curbs, overloading, racing or other competition) or Lessee's failure to maintain the Covered Vehicle as required by the Lease, (h) roadside assistance or towing for vehicle maintenance purposes, (i) mobile services, (j) the cost of loaner or rental vehicles or (k) if the Covered Vehicle is a truck, (l) manual transmission clutch adjustment or replacement, (m) brake adjustment or replacement or (n) front axle alignment. Whenever it is necessary to have a Covered Vehicle serviced, Lessee agrees to have the necessary work performed by an authorized dealer of such Covered Vehicle or by a service facility acceptable to EFM. In every case, if the cost of such service will exceed \$50.00, Lessee must notify EFM and obtain EFM's authorization for such service and EFM's instructions as to where such service shall be made and the extent of service to be obtained. Lessee agrees to furnish an invoice for all service to a Covered Vehicle, accompanied by a copy of the shop or service order (odometer mileage must be shown on each shop or service order). EFM will not be obligated to pay for any unauthorized charges or those exceeding \$50.00 for one service on any Covered Vehicle unless Lessee has complied with the above terms and conditions. EFM will not have any responsibility to pay for any services in excess of the services recommended by the manufacturer, unless otherwise agreed to by EFM. Notwithstanding any other provision of this Agreement to the contrary, (a) all service performed within one hundred twenty (120) days prior to the last day of the scheduled "Term" (as defined in the Lease) for the applicable Covered Vehicle must be authorized by and have the prior consent and approval of EFM and any service not so authorized will be the responsibility of and be paid for by Lessee and (b) EFM is not required to provide or pay for any service to any Covered Vehicle after 100,000 miles.

5. **ENTERPRISE CARDS:** EFM may, at its option, provide Lessee with an authorization card (the "EFM Card") for use in authorizing the payment of charges incurred in connection with the maintenance of the Covered Vehicles. Lessee agrees to be liable to EFM for, and upon receipt of a monthly or other statement from EFM, Lessee agrees to promptly pay to EFM, all charges made by or for the account of Lessee with the EFM Card (other than any charges which are the responsibility of EFM under the terms of this Agreement). EFM reserves the right to change the terms and conditions for the use of the EFM Card at any time. The EFM Card remains the property of EFM and EFM may revoke Lessee's right to possess or use the EFM Card at any time. Upon the termination of this Agreement or upon the demand of EFM, Lessee must return the EFM Card to EFM. The EFM Card is non-transferable.

6. **PAYMENT TERMS.** The amount of the monthly maintenance fee will be listed on the applicable Schedule and will be due and payable in advance on the first day of each month. If the first day of the Term for a Covered Vehicle is other than the first day of a calendar month, Lessee will pay EFM, on the first day of the Term for such Covered Vehicle, a pro-rated maintenance fee for the number of days that the Delivery Date precedes the first monthly maintenance fee payment date. Any monthly maintenance fee or other amount owed by Lessee to EFM under this Agreement which is not paid within twenty (20) days after its due date will accrue interest, payable upon demand of EFM, from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate allowed by applicable law. The monthly maintenance fee set forth on each applicable Schedule allows the number of miles per month as set forth in such Schedule. Lessee agrees to pay EFM at the end of the applicable Term (whether by reason of termination of this Agreement or otherwise) an over mileage maintenance fee for any miles in excess of this average amount per month at the rate set forth in the applicable Schedule. EFM may, at its option, permit Lessor, as an agent for EFM, to bill and collect amounts due to EFM under this Agreement from Lessee on behalf of EFM.

7. **NO WARRANTIES.** Lessee acknowledges that EFM does not perform maintenance or repair services on the Covered Vehicles but rather EFM arranges for maintenance and/or repair services on the Covered Vehicles to be performed by third parties. EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE OR QUALITY. ANY DEFECT IN THE PERFORMANCE OF ANY PRODUCT, REPAIR OR SERVICE WILL NOT RELIEVE LESSEE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING THE PAYMENT TO EFM OF THE MONTHLY MAINTENANCE FEES AND OTHER CHARGES DUE UNDER THIS AGREEMENT.

8. LESSOR NOT A PARTY. Lessor is not a party to, and shall have no rights, obligations or duties under or in respect of, this Agreement.

9. NOTICES. Any notice or other communication under this Agreement shall be in writing and delivered in person or sent by facsimile, recognized overnight courier or registered or certified mail, return receipt requested and postage prepaid, to the applicable party at its address or facsimile number set forth on the signature page of this Agreement, or at such other address or facsimile number as any party hereto may designate as its address or facsimile number for communications under this Agreement by notice so given. Such notices shall be deemed effective on the day on which delivered or sent if delivered in person or sent by facsimile, on the first (1st) business day after the day on which sent, if sent by recognized overnight courier or on the third (3rd) business day after the day on which mailed, if sent by registered or certified mail.

10. MISCELLANEOUS. This Agreement embodies the entire Agreement between the parties relating to the subject matter hereof. This Agreement may be amended only by an agreement in writing signed by EFM and Lessee. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of EFM. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Missouri (without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and Lessee have executed this Maintenance Agreement as of the day and year first above written.

LESSEE: Cannonsburg Water District

EFM: Enterprise Fleet Management, Inc.

By: Robert McGuire
Title: Chairman

Address: 1606 Cannonsburg Road
Ashland, KY 41102

Attention: _____

Facsimile No.: _____

Date Signed: _____

By: Jason Tyra
Title: Director of Fleet Management

Address: 13425 eastpointe center dr
Louisville, KY 40223

Attention: _____

Facsimile No.: _____

Date Signed: _____

MAINTENANCE MANAGEMENT AND FLEET RENTAL AGREEMENT

This Agreement is entered into as of the twenty-eighth day of August, 2015, by and between Enterprise Fleet Management, Inc., a Missouri corporation, doing business as "Enterprise Fleet Management" ("EFM"), and (the "Company").

WITNESSETH:

1. **ENTERPRISE CARDS:** Upon request from the Company, EFM will provide a driver information packet outlining its vehicle maintenance program (the "Program") and a card ("Card") for each Company vehicle included in the Company's request. All drivers of vehicles subject to this Agreement must be a representative of the Company, its subsidiaries or affiliates. All Cards issued by EFM upon request of the Company shall be subject to the terms of this Agreement and the responsibility of the Company. All Cards shall bear an expiration date.

Cards issued to the Company shall be used by the Company in accordance with this Agreement and limited solely to purchases of certain products and services for Company vehicles, which are included in the Program. The Program is subject to all other EFM instructions, rules and regulations which may be revised from time to time by EFM. Cards shall remain the property of EFM and returned to EFM upon expiration or cancellation.

2. **VEHICLE REPAIRS AND SERVICE:** EFM will provide purchase order control by phone or in writing authorizing charges for repairs and service over \$75, or such other amount as may be established by EFM from time to time under the Program. All charges for repairs and services will be invoiced to EFM. Invoices will be reviewed by EFM for accuracy, proper application of potential manufacturer's warranties, application of potential discounts and unnecessary, unauthorized repairs.

Notwithstanding the above, in the event the repairs and service are the result of damage from an accident or other non-maintenance related cause (including glass claims), these matters will be referred to the Company's Fleet Manager. If the Company prefers that EFM handle the damage repair, the Company agrees to assign the administration of the matter to EFM. EFM will administer such claims in its discretion. The fees for this service will be up to \$125.00 per claim and the Company agrees to reimburse for repairs as outlined in this agreement. If the Company desires the assistance of EFM in recovering damage amounts from at fault third parties, a Vehicle Risk Management Agreement must be on file for the Company.

3. **BILLING AND PAYMENT:** All audited invoices paid by EFM on behalf of the Company will be consolidated and submitted to the Company on a single monthly invoice for the entire Company fleet covered under this Agreement. The Company is liable for, and will pay EFM within ten (10) days after receipt of an invoice or statement for, all purchases invoiced to the Company by EFM, which were paid by EFM for or on behalf of the Company. EFM will be entitled to retain for its own account, and treat as being paid by EFM for purposes of this Agreement, any discounts it receives from a supplier with respect to such purchases which are based on the overall volume of business EFM provides to such supplier and not solely the Company's business. EFM will exercise due care to prevent additional charges from being incurred once the Company has notified EFM of its desire to cancel any outstanding Card under this Agreement. The Company will use its best efforts to obtain and return any such cancelled Card.

4. **RENTAL VEHICLES:** The Card will authorize the Company's representative to arrange for rental vehicles with a subsidiary of Enterprise Rent-A-Car Company for a maximum of two (2) days without prior authorization. Extensions beyond two (2) days must be granted by an EFM representative. The Company assumes all responsibility for all rental agreements arranged by EFM with a subsidiary of Enterprise Rent-A-Car Company through an EFM representative or through the use of the Card. All drivers must be at least 21 years of age, hold a valid driver's license, be an employee of the Company or authorized by the Company through established reservation procedures and meet other applicable requirements of the applicable subsidiary of Enterprise Rent-A-Car Company.

5. **NO WARRANTY:** EFM MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS, REPAIRS OR SERVICES PROVIDED FOR UNDER THIS AGREEMENT BY THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY, COMPLIANCE WITH SPECIFICATIONS, OPERATION, CONDITION, SUITABILITY, PERFORMANCE, QUALITY OR FITNESS FOR USE. Any defect in the performance of any product, repair or service will not relieve the Company from its obligations under this Agreement, including without limitation the payment to EFM of monthly invoices.

6. **CANCELLATION:** Either party may cancel any Card under this Agreement or this Agreement in its entirety at any time by giving written notice to the other party. The cancellation of any Card or termination of this Agreement will not affect any rights or obligations under this Agreement, which shall have previously accrued or shall thereafter arise with respect to any occurrence prior to such cancellation or termination. A Card shall be immediately returned to EFM upon cancellation to: Enterprise Fleet

Initials: EFM AM Cust _____

Management, 600 Corporate Park Drive, St. Louis, MO 63105, Attention: Enterprise Card Department. Notice to EFM regarding the cancellation of any Card shall specify the Card number and identify the Company's representative. In the case of a terminated representative, such notice shall include a brief description of the efforts made to reclaim the Card.

7. **NOTICES:** All notices of cancellation or termination under this Agreement shall be mailed postage prepaid by registered or certified mail, or sent by express overnight delivery service, to the other party at its address set forth on the signature page of this Agreement or at such other address as such party may provide in writing from time to time. Any such notice sent by mail will be effective three (3) days after deposit in the United States mail, duly addressed, with registered or certified mail postage prepaid. Any such notice sent by express overnight delivery service will be effective one (1) day after deposit with such delivery service, duly addressed, with delivery fees prepaid. The Company will promptly notify EFM of any change in the Company's address.
8. **FEES:** EFM will charge the Company for the service under this Agreement \$5.00 per month per Card, plus a one time set-up fee of \$0.00.
9. **MISCELLANEOUS:** This Agreement may be amended only by an agreement in writing signed by EFM and the Company. This Agreement is governed by the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

IN WITNESS WHEREOF, EFM and the Company have executed this Maintenance Management and Fleet Rental Agreement as of the day and year first above written.

Company: Cannonsburg Water District

EFM: Enterprise Fleet Management, Inc.

Robert McGuire

Jason Tyra

By: Robert McGuire
Title: Chairman

By: Jason Tyra
Title: Director of Fleet Management

Address: 1606 Cannonsburg Rd
Ashland, KY 41102

Address: 13425 eastpointe center dr
Louisville, KY 40223

Date Signed: 05/24/16

Date Signed: 05/24 16

Attachment 3
Affidavit of Publication

CANNONSBURG WATER DISTRICT
1606 CANNONSBURG RD
ASHLAND KY 41102

NEWSPAPER AFFIDAVIT

I, MICHAEL GELBMAN, ADVERTISING DIRECTOR OF THE DAILY INDEPENDENT NEWSPAPER PUBLISHED IN ASHLAND, AND HAVING THE LARGEST CIRCULATION OF ANY NEWSPAPER IN THE BOYD COUNTY, KENTUCKY, DO HEREBY CERTIFY THAT FROM MY OWN KNOWLEDGE AND A CHECK OF THE FILES OF THIS NEWSPAPER THAT THE FOLLOWING ADVERTISEMENT WAS INSERTED IN THE DAILY INDEPENDENT.

SIGNATURE: *Michael Gelbman*

SUBSCRIBED AND SWORN TO BEFORE ME BY THE ABOVE, THIS 20th DAY OF May, 2016

NOTARY PUBLIC *Lisa Kay Callihan*

MY COMMISSION EXPIRES _____



COMMENTS	EXPIRED DATE	AD CAPTION	#TIMES	AMOUNT
THE INDEPENDENT	05/15/2016	BIDS/FLEET MGMT	3	312.00
05/01/2016	05/08/2016	05/15/2016		

Overnight is super easy

bine. If your oats have a runny consistency even after they soak, simply stir in an additional 1 tablespoon chia seeds and place the mixture back in the fridge until it has thickened up. If the oat mixture is too thick, add a splash of almond milk and stir to combine.

TNN-STYLE OVERNIGHT OATS

1/2 cup oats
1/3 cup unsweetened almond milk
1/3 cup Greek yogurt
1 tablespoon chia

seeds

1/4 teaspoon pure vanilla extract, if desired

Mix all ingredients in a bowl and place in fridge. Mason jars are handy here to store oats in fridge after mixing).

Remove from fridge next morning, let sit for 15 or 20 minutes.

I add fresh berries and agave nectar in the morning or I top it off with a handful of walnuts and some sliced up banana or a tablespoon of almond or peanut butter. Test a few different

combinations and see what you like best.

I love having this in the morning; it keeps me full and feeling good. It's a great way to start your day because oats are filling and the yogurt is packed with healthy probiotics and lots of calcium. Plus almost every ingredient is a flat-belly food!

KELLIE MCKINNEY is a cofounder of Two Nutrition Nuts and an exercise physiologist.

PUBLIC NOTICE

NOTICE TO BIDDERS

Sealed bids will be received by the City of Ashland, Kentucky on the following item(s):

PURCHASE OF ONE NEW MINI TRACK HOE HYDRAULIC EXCAVATOR. DIVISION OF WASTE WATER COLLECTION, DEPARTMENT OF ENGINEERING AND UTILITIES.

Specifications and bid instructions may be seen and obtained in the Office of the Director of Engineering and Utilities, City Building, Ashland, Kentucky, during regular office hours or telephone (606) 327-2008.

Bids will be received by the City Clerk until **3:00 P.M., EST., MAY 19, 2016**. At **3:15 P.M., EST., MAY 19, 2016**, the bids will be opened and publicly read in the Commissioner's Chambers, Third Floor, City Building, 1700 Greenup Avenue, Ashland, Kentucky.

The City of Ashland through its City Manager, reserves the right to accept all or to reject all or any part of the bid should it be deemed to be in the best interest of the City of Ashland.

RYAN S. EASTWOOD, P. E., DIRECTOR OF ENGINEERING AND UTILITIES

Published: May 8 & 15, 2016

PUBLIC NOTICE

PUBLIC NOTICE

The Cannonsburg Water District will be accepting bids for a fleet management system that will include procurement, surplus, maintenance and fuel management. Cannonsburg Water District reserves the right to accept or refuse any or all bids.

Bids must be received at the Cannonsburg Water District office located at: 1606 Cannonsburg Road, Ashland, KY 41102 no later than May 18, 2016 at 10:00 a.m.

If there are questions concerning this bid, bidders may call Tim Webb, General Manager at 606.928.9808, M-F 8:00 a.m. to 4:00 p.m.

Cannonsburg Water District is an equal opportunity employer and provider.

Published: May 1, 8 & 15, 2016

and follow signs.

PUBLIC NOTICE

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Cannonsburg Water District is an equal opportunity employer and provider.

Published: May 1, 8 & 15, 2016

Lick State Historic Site

call the park at (859) 384-3522. Information also is available at Big Bone Lick State Historic Site's website.

Take Exit 171 off I-75

PUBLIC NOTICE

NOTICE TO BIDDERS

by the City of Ashland, Kentucky on the

NEW 2017 20 CUBIC YARD, REAR TRUCK, DIVISION OF SOLID WASTE OF PUBLIC WORKS.

Instructions may be seen and obtained in the Public Works, City Building, Ashland, Kentucky during regular office hours or telephone (606) 327-2007.

Bids will be received by the City Clerk until **3:00 P.M., EST., MAY 19, 2016**. At **3:15 P.M., EST., MAY 19, 2016**, the bids will be opened and publicly read in the Commissioner's Chambers, Third Floor, City Building, 1700 Greenup Avenue, Ashland, Kentucky.

The City of Ashland through its City Manager, reserves the right to accept all or to reject all or any part of the bid should it be deemed to be in the best interest of the City of Ashland.

DIRECTOR PUBLIC WORKS

Published: May 8 & 15, 2016

HOME ACCENTS 50% OFF

Categories Listed

Does not include seasonal department

Knobs, Drawer Pulls & Handles

Decorative Bottles

Fruit & vegetable filled

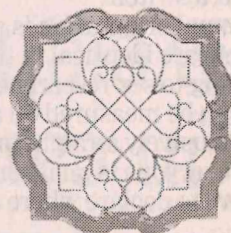
Collage Frames

Glass Decor

Glass department, floral glass vases & craft glass containers
Does not include craft stained glass or glass tabletops

Metal Decor

Metal wall decor, functional & decorative metal accessories
and metal containers in our floral & craft departments



Decorative Memo Boards, Chalkboards & Corkboards

Attachment 4
Meeting Minutes
May 18, 2016

CANNONSBURG WATER DISTRICT
1606 Cannonsburg Road
Ashland, KY 41102
606-928-9808 or Fax 606-928-4788
Cannonsburg Water District is an Equal Opportunity Employer and Provider

Cannonsburg Water District held its Monthly Commissioners Meeting on Wednesday, May 18, 2016, at the District office at 1606 Cannonsburg Road, Ashland, KY 41102

Those in attendance were:

Tim Webb, Manager

Melanie Stemmer, Recorder

Robert McGuire, Chairman

Pam Vanhooose, Commissioner

Sue Reed, Treasurer

Harold Waggoner, Secretary (in absentia)

Kevin Johnston, Commissioner

Meeting called to order at 11:02am by Robert McGuire.

MINUTES

*Motion was made by Kevin Johnston that the Minutes from the April 20, 2016 meeting be approved as stated. Seconded by Pam Vanhooose. Motion carried.

TREASURERS REPORT

*Motion was made by Pam Vanhooose to accept the Treasurers Report as stated. Seconded by Kevin Johnston. Motion carried.

AUDIT – JOEL LANE (CONFERENCE CALL 11:15)

Joel Lane called at 11:15am as scheduled. Started by introducing himself, great news was that we received a “independent, unmodified clean opinion” on the audit. This means there was no issues or deficiencies found. This is standard in the accounting field.

We had a good 2015 year with Operating Income of \$85,000.00. He continued to go over each department with his findings.

*Motion was made by Kevin Johnston to accept the Audit Report for filing from Lane & Associates. Seconded by Pam Vanhooose. Motion carried.

BID OPENING

Tim advised that we had received only one proposal relative to the Fleet Maintenance program we had looked into and advertised for in the Daily Independent. He had sent out four requests for bids and the only one received back was from Enterprise.

*Motion to accept the bid proposal from Enterprise for fleet purchase and maintenance was made by Sue Reed. Seconded by Pam Vanhooose. Motion carried.

Tim was given permission to go ahead and contact Joey Nunn with Enterprise and move forward with the program.

HEALTH INSURANCE

Tim advised that it was time to review the employee insurance benefits for 2016. In the ensuing discussion as to employee portion, Sue Reed said she thought the employee portion should be raised from 12% to 20%. Further discussion ended with:

*Motion to table any changes for 2016 sign up phase for employees. Will revisit next year. Seconded by Kevin Johnston. Motion carried.

HIRE SEASONAL EMPLOYEES

Tim advised that we currently have two employees off due to medical conditions. Bob Hicks had a tumor removed from his lung and Bo Howard has a sinus issue that is putting pressure on his optic nerve causing him to go blind without warning. Therefore, unable to drive our vehicles. He is currently on short-term disability pending testing and Dr. release.

He would like to hire two temporary seasonal employees at \$8.00/hour. Would need to be at least eighteen years of age and not drive company vehicles.

*Motion made by Sue Reed that Tim hire two temp. seasonal employees at \$8.00/hour, at least 18-years of age. Seconded by Pam Vanhooose. Motion carried.

WATER LOSS UPDATE

You may have noticed that there is a new line on the Water Loss report. It is "Cost of Water Not Sold or Used." Tim had Tom McCalvin calculate this so we can compare.

The zone meters are beginning to report good data. Tim has contacted Rural Water to help get a handle on the leak detection. He is sure that we can get under control, but will take a period of time. Not something that can be fixed overnight.

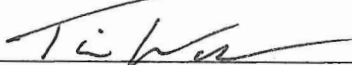
(At 12:03pm, Sue Reed had to excuse herself, had an appointment in Huntington for a root canal.)

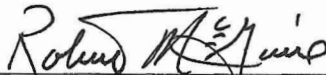
DISCUSSION:

Robert asked Tim if he had heard anything from the PSC relative to the Surcharge Funds. Tim has talked with them, they just need a detailed report on Who-What-Where-When- & Why.

Next scheduled meeting will be Wednesday, June 15, 2016.

All minds at rest, *Motion to adjourn @ 12:24pm by Pam Vanhooose. Seconded by Kevin Johnston. Motion carried.


Tim Webb, Manager


Robert McGuire, Chairman

Cc: file

Attachment 5
Martin Bays' Appointment

ORDERS } Boyd County Fiscal COURT

Ron Cooper Co.

November 17, 2020

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Cannonsburg Water District Appointment

Motion was made by Keith Watts and Seconded by Randy Stapleton to approve the appointment of Marty Bays to the Cannonsburg Water District Board to fulfill the remainder of Kevin Johnston's term.

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Cannonsburg Water District Re-Appointment

Motion was made by Keith Watts and Seconded by Randy Stapleton to re-appoint Sam Hampton and Mark Kazez to the Cannonsburg Water District Board.

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes

Boyd County Extension Office Appointment

Motion was made by Larry Brown and Seconded by Keith Watts to appoint Tyler Delawder and Mike Dixon to the Boyd County Extension Office Board.

Vote as Follows:

Eric Chaney	Yes
Keith Watts	Yes
Larry Brown	Yes
Randy Stapleton	Yes