

**AGREEMENT**

THIS AGREEMENT, having an effective date of MARCH 7, 2000, is made and entered into by and between the **HARDIN COUNTY WATER DISTRICT NO. 2** (the "DISTRICT"), P.O. Box 970, Elizabethtown, Kentucky 42702, and **PETRO STOPPING CENTERS LP ("PETRO")**, 6080 Surety Drive, El Paso, Texas 79905;

**WITNESSETH**

**WHEREAS**, the DISTRICT is a public water district organized and operated pursuant to the provisions of KRS Chapter 74. It is a public body corporate. It provides water service to certain designated areas of Hardin and LaRue Counties, Kentucky, including the Glendale area;

**WHEREAS**, PETRO has acquired a certain parcel of real estate located at the northwest quadrant of the I-65/Kentucky Highway 222 interchange in Hardin County, Kentucky (the "Site");

**WHEREAS**, PETRO plans to construct a Stopping Center on the Site. The Stopping Center will include a restaurant, fueling islands, truck service facility, and, perhaps, other improvements;

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APR 08 2000

PURSUANT TO 807 KAR 50.11,  
SECTION 9(1)  
BY: Stephan Bui  
SECRETARY OF THE COMMISSION

**WHEREAS**, PETRO has requested the DISTRICT to provide 35,000 gallons of water per day for domestic use and a fire suppression flow of 500 gallons per minute for a two (2) hour duration with a 40 psi residual pressure (the "PETRO Demands");

**WHEREAS**, the DISTRICT'S consulting engineer has performed a hydraulic analysis of the DISTRICT'S water distribution system and has determined that the DISTRICT cannot meet the PETRO Demands without making substantial improvements to its existing water infrastructure facilities (the "Improvements");

**WHEREAS**, the DISTRICT does not have the financial resources to construct the needed Improvements;

**WHEREAS**, PETRO is willing to pay 70% of the actual cost of constructing the Improvements, provided its portion of the cost does not exceed the sum of \$319,900 ( $\$457,000 \times 70\% = \$319,900$ );

**WHEREAS**, the DISTRICT is willing to construct a larger water storage tank than the 150,000 gallon tank required to meet the PETRO Demands and the immediate demands of other development in the Glendale area; and

**WHEREAS**, the Improvements will enhance the water distribution facilities of the DISTRICT and will enable the DISTRICT to provide a higher level of water service to its existing and future customers in the Glendale area;

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SECRETARY OF THE COMMISSION

**NOW THEREFORE**, in consideration of all the foregoing preambles and the mutual terms and conditions contained herein, the DISTRICT and PETRO agree as follows:

**1. IMPROVEMENTS TO BE CONSTRUCTED.** The DISTRICT shall construct the necessary water distribution system infrastructure improvements to enable it to meet the PETRO Demands. Based upon the Preliminary Engineering Report prepared by the DISTRICT'S consulting engineer, the DISTRICT shall construct, at a minimum, the Improvements set forth in **EXHIBIT A**, which is attached hereto and incorporated herein by reference. It is contemplated that the DISTRICT shall construct a larger water storage tank than the 150,000 gallon tank specified by PETRO and described in **EXHIBIT A**. The DISTRICT shall pay for the differential cost of constructing a larger water storage tank.

**2. PAYMENT BY PETRO.** PETRO shall pay 70% of the actual costs incurred by the DISTRICT in planning, designing and constructing the Improvements set forth in **EXHIBIT A**, or the sum of \$319,900, whichever is less.

**3. DEPOSIT OF FUNDS.** Once the Agreement has been executed by both Parties, the DISTRICT shall invoice PETRO for the sum of \$159,950 ( $\$319,900 \times 50\% = \$159,950$ ). PETRO shall pay the invoice within 21 days after receipt of the invoice. The DISTRICT shall not be obligated to award the tank construction

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contract nor to execute a contract for the tank construction until PETRO has executed the Agreement. The balance of PETRO's obligation shall be paid to the DISTRICT within 21 days after receipt of the first payment request submitted by the tank contractor. The DISTRICT shall keep the funds deposited by PETRO in a separate account and shall not utilize the funds of PETRO for any purpose other than paying Project costs. Any funds remaining in the account after the completion of the Project shall be refunded to PETRO.

**4. AUDIT OF PROJECT COSTS.** The DISTRICT shall promptly furnish PETRO with a copy of all tank contractor bids, the bid tabulation, invoices, contractor payment request forms, and any other documents or records necessary for PETRO to verify the Project costs. PETRO shall have the right to inspect, during normal business hours and upon reasonable notice, all financial records of the DISTRICT pertaining to this Project.

**5. ADDITIONAL COSTS AND IMPROVEMENTS.** The DISTRICT bears the risk of paying for all Project costs that exceed the sum of \$457,000, of which sum PETRO is responsible for only \$319,900. Also, in the event the DISTRICT is unable to provide PETRO'S Demands after the Improvements are constructed, and it is necessary for the DISTRICT to construct additional improvements, then the DISTRICT shall pay for the actual cost of constructing those additional improvements.

6. **ON SITE WATER LINES.** PETRO shall construct and install, at its own expense, all on site water lines, fire hydrants, and the fire protection vault. These facilities shall be constructed in accordance with the DISTRICT'S specifications. The potable water meter vaults and water meters shall be furnished and installed by the DISTRICT.

7. **WORK TO BE PERFORMED BY DISTRICT.** In order to expedite this Project, the DISTRICT anticipates that it will furnish the labor and equipment necessary to construct a portion of the Project, including upgrading the Glendale Road Pump Station, relocating the White Mills Pump Station, and installing the 12" water line. The DISTRICT shall perform these tasks on a time and material basis. These costs shall be included in the Project Costs for which PETRO is responsible.

8. **TANK SITE.** PETRO shall grant the DISTRICT a perpetual easement at an agreed upon location for the purpose of constructing, operating and maintaining the water storage tank. The tank site shall be approximately 200 feet by 200 feet. The DISTRICT shall pay the surveying expense incurred in preparing the legal description to be contained in the easement.

9. **INGRESS - EGRESS.** PETRO shall convey to the DISTRICT an easement for ingress and egress to the tank site. The easement shall be located along a mutually agreed upon route.

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**10. UTILITY EASEMENT.** PETRO shall execute a utility easement granting the DISTRICT a 20 feet wide permanent easement for the purpose of installing, repairing, and maintaining the proposed 12" water line extending from Ky. Hwy. 222 to the tank site. The easement shall be along a mutually agreed upon route.

**11. PUMP STATION EASEMENT.** PETRO shall grant the DISTRICT a perpetual easement at an agreed upon location for the purpose of constructing, operating, and maintaining a pump station.

**12. SCHEDULE.** The DISTRICT shall use its best efforts to expedite the completion of this Project. The DISTRICT guarantees that all the Improvements, except for the water storage tank, will be completed and fully functional by no later than May 8, 2000. The DISTRICT further guarantees that it will be able to provide PETRO 35,000 gallons of water per day for domestic use by no later than May 8, 2000. In the event the water storage tank has not been completed and placed in service by May 8, 2000, the DISTRICT, under normal operating conditions, will be able to provide PETRO with a fire suppression flow of 250 gallons per minute for a two (2) hour duration with a 40 psi residual pressure. After the tank has been completed and placed in service, the DISTRICT guarantees that it will be able to provide the PETRO Demands.

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13. **REGULATORY ASSISTANCE.** The DISTRICT shall cooperate with and assist PETRO in obtaining the Certificate of Occupancy and, if necessary, a Temporary Certificate of Occupancy from the Kentucky Department of Housing, Buildings and Construction so that the Stopping Center can open on schedule. If requested by PETRO, the DISTRICT shall also cooperate with and assist PETRO in obtaining other permits, licenses, approvals, variances or waivers from any other federal, state, or local regulatory or administrative agency. The DISTRICT pledges to use its best efforts in these endeavors.

**IN WITNESS WHEREOF** the Parties hereto have caused the Agreement to be executed by its duly authorized officers or representatives.

HARDIN COUNTY WATER  
DISTRICT NO. 2

DATE: 3-1-2000

BY:

Michael L. Bell  
MICHAEL L. BELL, CHIEF PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

ATTEST:

BY: Coleman Crady  
COLEMAN CRADY, SECRETARY

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PETRO STOPPING CENTERS LP

DATE: 03-07-2000

BY:

Travis Roberts  
NAME OF PERSON AND TITLE  
TRAVIS ROBERTS VP

**HARDIN COUNTY WATER DISTRICT NO. 2  
WATER SUPPLY FOR PETRO TRUCK FACILITY**

**OPINION OF PROBABLE COST**

1.	150,000 Gallon Column Supported Elevated Tank	
	1.1 Elevated Tank including foundation and painting	\$256,000
	1.2 Valve Vault and Yard Piping	15,000
	1.3 Access Road	5,000
2.	12-inch PVC Pipe, DR 18 1500 LF @ \$14.00	21,000
3.	Upgrade Glandale Road Pump Station	25,000
4.	Relocate White Mills Pump Station and Change Pumps	25,000
5.	12-inch Gate Valve 2 @ \$1,000	2,000
6.	Fire Hydrant 1 @ \$2,000	2,000
7.	8-inch Gate Valves 2 @ \$800	1,600
8.	Telemetry Tank Remote 1 @ \$10,000	<u>10,000</u>

<b>TOTAL CONSTRUCTION COST</b>	<b>\$357,600</b>
Engineering Design	34,700
Construction Observation	25,800
Administration & Legal	5,000
Preliminary Engineering Report	3,900
Contingency	<u>30,000</u>
<b>TOTAL PROJECT COST</b>	<b>\$457,000</b>

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