

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 5th day of June, 19 81, between the Green River Valley Water District
Cave City, Kentucky
(Address)

hereinafter referred to as the "Seller" and the Larue County Water District #1
Buffalo, Kentucky
(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Code of Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution No. --- enacted on the 4th day of June, 19 81, by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Chairman and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Commission of the Purchaser, enacted on the 5th day of June, 19 81, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth.

The Seller Agrees:

To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky

in such quantity as may be required by the Purchaser not to exceed 2 million gallons per month.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 25 1981 442-30 (Rev. 4-19-72)

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: B. Jones

3. The Purchaser agrees to give the Seller at least a one (1) year's notice before the Seller commences furnishing water to a new industry, an industry that expands its present facilities, newly annexed areas, or makes major extension of its present water lines to serve additional customers; if that new industry, expanded industry, etc. will use over 200,000 gallons of water per month.

It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of forty (40) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That ninety (90) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a

flat charge of \$ 200.00 which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable and similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through the Farmers Home Administration of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of the Farmers Home Administration.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

9. Seller agrees to cede to the Purchaser so much of its present territory lying 31E in Larue County, Kentucky, that the Purchaser plans to service in the foreseeable future.

10. This Water Purchase Contract is hereby pledged to the United States of America, acting through the Farmers Home Administration (FHA), as a part of the security for a loan or loans by the United States of America. This pledge shall continue in effect so long as the Larue County Water District No. 1 is indebted to the Farmers Home Administration.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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AUG 25 1987

PURSUANT TO 807 KAR 5:011,
SECTION 9 (2)

BY: D. Jones

Witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three (3) counterparts, each of which shall constitute an original.

Seller:
GREEN RIVER VALLEY WATER DISTRICT
By [Signature]
JACK LONDON
Title Chairman

[Signature]
DONALD McDONALD, Secretary

Purchaser:
LARUE COUNTY WATER DISTRICT #1
By [Signature]
Title [Signature]

APPROVED BY
[Signature]
Secretary

This contract is approved on behalf of the Farmers Home Administration this 24th day of June, 1987.

BY 81

By [Signature]
Title Community Programs Specialist

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
AUG 25 1987
PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [Signature]