

AMENDMENT NO. 1 TO THE CONTRACT FOR PURCHASE
OF TREATED WATER BETWEEN
CITY OF SOMERSET, KENTUCKY AND
NELSON VALLEY WATER ASSOCIATION, INC.

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THIS AMENDMENT made and entered into this 14th day of
September, 1993, by and between the CITY OF
SOMERSET and the NELSON VALLEY WATER ASSOCIATION, INC.,

For and in consideration of the mutual promises herein
contained, the parties hereto do agree as follows:

1. The City of Somerset is the successor in interest to
Kentucky Water Service Company, Inc. by way of the asset purchase
of the Kentucky Water Service Company, Inc. by the City of Somerset
in a contract dated the 23rd day of December, 1985.

2. The City of Somerset agrees to sell and the Nelson
Valley Water Association, Inc. agrees to buy all its treated water
from the City of Somerset for the term hereof.

3. Water Association has obtained a loan in the amount of
\$770,000.00 from Farmers Home Administration, a
facility of the U.S. Department of Agriculture, evidenced by Promissory
Note, secured by Mortgage on plant facilities and pledge of certain
revenues to the Farmers Home Administration payable over a period of
forty (40) years from the date of said loan. Contract shall be in
effect for forty (40) years from date of said Promissory Note.

4. The water will continue to be furnished at all existing
locations. All the suppliers users will proportionately share
any incurred shortages.

5. The City of Somerset shall own and operate all facilities
leading to and including the Master Meter, and the Nelson Valley
Water Association, Inc., shall own and operate all facilities on
the discharge side of the Master Meter.

6. The City of Somerset documents to Nelson Valley Water
Association, Inc., that it has an adequate supply and treatment
facilities available to meet the needs of both Nelson Valley
Somerset's customers for the foreseeable future.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5011,
SECTION 9 (1)
BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

This document does not in any way, other than the terms set out herein, amend, repeal, or affect any of the terms, conditions and provisions of said Contract for purchase of treated water of the 15th day of April, 1969.

IN WITNESS WHEREOF, the parties hereto acting under authority of their retrospective governing bodies, have caused this Amendment Number 1 of the Contract to purchase treated water to be duly executed this 14th day of September, 1993.

ATTEST:

David Hodsey
CITY CLERK

SELLER:
CITY OF SOMERSET, KENTUCKY

Smith Shank
MAYOR

ATTEST:

Joe Crawford
SECRETARY

PURCHASER:
NELSON VALLEY WATER
ASSOCIATION, INC.

Valant Taylor
CHAIRMAN

This Contract Amendment is approved on behalf of the Farmers Home Administration this the 15th day of OCTOBER, 1993.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

BY: Jimmy H. Hill
TITLE: COMMUNITY AND BUSINESS DEVELOPMENT SPECIALIST

SEP 22 1994

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Justin C. [Signature]
FOR THE PUBLIC SERVICE COMMISSION