

FIFTH AMENDMENT TO WATER PURCHASE CONTRACT

This Fifth Amendment to Water Purchase Contract (the "Amendment") is entered into as of the 5th day of September, 2013 (the "Effective Date"), between the City of Williamstown, Kentucky, 400 North Main Street, Williamstown, Kentucky 41097 (hereinafter referred to as the "Seller"), and the Corinth Water District, U.S. 25, P.O. Box 218, Corinth, Kentucky 41010 (hereinafter referred to as the "Purchaser").

WITNESSETH:

WHEREAS, Seller and Purchaser entered into a Water Purchase Contract dated November 3, 1997, a copy of which is attached hereto as *Exhibit A* (the "Water Purchase Contract"); and

WHEREAS, Seller and Purchaser entered into a First Amendment to Water Purchase Contract dated June 1, 1998, in order to conform such Water Purchase Contract to certain statutory requirements, a copy of which is attached hereto as *Exhibit B* (the "First Amendment"); and

WHEREAS, Seller and Purchaser entered into a Second Amendment to Water Purchase Contract dated July 5, 2001, a copy of which is attached hereto as *Exhibit C* (the "Second Amendment"); and

WHEREAS, Seller and Purchaser entered into a Third Amendment to Water Purchase Contract dated August 2, 2004, a copy of which is attached hereto as *Exhibit D* (the "Third Amendment"); and

WHEREAS, Seller and Purchaser entered into a Third Amendment to Water Purchase Contract dated October 6, 2010, copies of which are attached hereto as *Exhibit E* (the "Fourth Amendment"); and

WHEREAS, by motion and approval of the Williamstown City Council on 09/05/13, 2013 as recorded in its minutes, the execution of this Amendment by the Mayor of Seller, and the attestation of this Amendment by the Clerk of Seller, was duly authorized; and

WHEREAS, by Resolution of the Board of Purchaser enacted on 09/04/2013, 2013, the execution of this Amendment by the Chairman of the Board of Commissioners of Purchaser, and the attestation of this Amendment by the Secretary of the Board of Commissioners of Purchasers, was duly authorized; and

WHEREAS, the Seller has plans and has initiated into the expansion and construction of a new Williamstown Water Treatment facility/plant and expansion of their water system to provide water service to additional residents/customers and to improve water quality

WHEREAS, the Parties have not addressed or modified water rate prices per one (1) thousand for several years; and

KENTUCKY PUBLIC SERVICE COMMISSION
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<i>Brent Kirtley</i>
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WHEREAS, in order to obtain public/private financing and/or grants for such new water plant construction and expansion, the Seller and Purchaser agree that water rates must be increased to better serve each party; and

WHEREAS, the Purchaser has plans to engage in the expansion of their system to provide water service to additional residents; and

WHEREAS, in order to obtain financing for such expansion through the United States Department of Agriculture, the Purchaser must have a contract for the purchase of water in place with a term at least equal to the repayment period of the financing, which is 40 years; and

WHEREAS, in order to obtain such financing, the Purchaser has requested that the Water Purchase Contract be extended to a period equal to forty-two (42) years after the Effective Date of this Amendment.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser, intending to be legally bound, hereby agree to amend the Water Purchase Contract as follows:

1) Purchaser shall pay Seller water rates and charges for wholesale customers at such rates and charges as may be adjusted from time to time. Seller may, from time to time, increase its water rates and charges but no rate or charge increase will take effect unless and until it has been reviewed and approved by the PSC. Seller shall not under any circumstance increase water rates greater than three (3) percent in any calendar year. For purposes of this Agreement, the water rates charged by Seller to Purchaser in effect as of the Effective Date of this Agreement shall continue until increased as provided for herein.

2) Effective January 1, 2014, Purchaser shall pay to Seller the rate of \$2.89 per thousand gallons on water purchased. That rate shall continue until January 1, 2015. Effective January 1, 2015, Purchaser shall pay to Seller the rate of \$3.10 per thousand gallons of water purchased. That rate shall continue until modified consistent with the terms and conditions set forth herein.

3) As of the Effective Date of this Amendment, the Term of the Water Purchase Contract, as originally set forth in Paragraph C(1) thereof, shall be extended to a date which is forty-two (42) years after the Effective Date of this Amendment.

4) Exhibit A, Page 2, Item A.I. is hereby modified that the Seller (City of Williamstown) agrees to increase the maximum gallons per month from 5,000,000 gallons per month to 8,000,000 gallons per month.

5) Exhibit A, Page 2, Item A.I. is hereby modified and changed that the Seller (City of Williamstown) agreed to increase twenty-four usages in a twenty-four (24) hour period from 240,000 gallons to 267,000 gallons.

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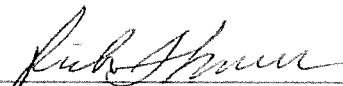
6) There is a monthly minimum water purchase by the Purchaser (City of Corinth, Kentucky) of 3,000,000 gallons from the Seller (City of Williamstown, Kentucky). This is incorporated in the original agreement and all modifications between the parties.

7) Except as otherwise amended or modified hereby, all other terms and conditions of the Water Purchase Contract and the Amendment(s) shall remain in full force and effect.

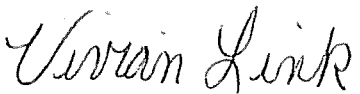
IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Amendment to be duly executed in duplicate counterparts, each of which shall constitute an original, as of the date first above-written.

SELLER:

CITY OF WILLIAMSTOWN

By: 
Rick Skinner, Mayor

ATTEST:

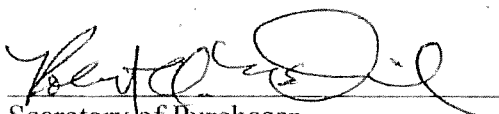

Clerk of Seller

PURCHASER:

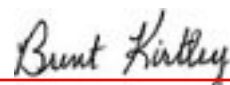
CORINTH WATER DISTRICT

By: 
, Chairman

ATTEST:


Secretary of Purchaser

08/27/2013

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