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This SUPPLEMENTAL AGREEMENT made this PUBLIC SERVICE day
of July, 1973, between the BOARD OF EDUCATION
OF JEFFERSON COUNTY, KENTUCKY, hereinafter referred to
as the Board, and FOREST HILLS DEVELOPERS, INC., a
corporation, hereinafter referred to as the Sewer
Company.

WITNESSETH:

The Sewer Company is the owner and operator of a
sewer treatment plant known as Forest Hills Sewage Treat-
ment Plant to which Company the Board has paid a capital
recovery fee of \$25,000.00 as its portion of the con-
struction costs of said plant and is receiving sewer
service at a monthly service charge for its school facili-
ties situated on the school site near the location of the
treatment plant, all in accordance with the provisions of
a Contract between the parties dated December 29, 1966.

The Sewer Company warrants that it has, in the
year 1972, constructed an addition to its Treatment Plant
at a total cost of \$190,561.01 as shown by the attached
sworn statement of itemized costs, which addition is
necessary to provide needed capacity for additional ser-
vice the Sewer Company is requested to render, and that
all costs incurred for the construction of said addition
have been paid in full.

And, Whereas, the requirements for sewer service
for the Board's school facilities located on the school
site served by the Sewer Company's plant have increased

since the date of the aforesaid Contract of the parties of December 29, 1966, so that the gallonage required for the Board's schools served by the plant has increased due to increased pupil enrollment at said schools to approximately 3,500 pupils; and

Whereas, the Sewer Company has reported also to the Board that the cost of operating its Sewer Treatment Plant has increased, which the Sewer Company warrants is shown by the attached sworn itemized Profit and Loss Statement (3 sheets) for the period of August, 1972 through January, 1973, resulting in an operating loss to the Sewer Company as shown by said Statement;

It is now, therefore, agreed between the parties that commencing July 1, 1973 the Board will pay to the Sewer Company the sum of Forty-Two and One-Half Cents (\$.42-1/2) per 1,000 gallons of water metered by the Louisville Water Company per month used by the public school facilities located on the school site near the Forest Hills Treatment Plant of the Sewer Company; and that the standard or basis used for the determination of this charge is the amount of gallonage used, which will be paid by the Board at such times as the Board receives its statement from the Louisville Water Company showing the correct amount of water used, and that the gallonage consumed is the basis of the service charge regardless of the number of pupils enrolled in the school facilities served, the number of pupils being

only indicative of the amount of gallonage used, there being approximately 3,500 pupils enrolled in the school facilities on said school site for the school year ending June, 1973.

It is further agreed that either party may request of the other party a revision of the sewer rate charged Eight (8) Years after the date hereof for the purpose of re-negotiating a new service rate, either more or less than that established herein, if said party desires a change in said rate, and said rate is proven at that time to be inequitable.

The parties further agree that the School Board will pay to the Sewer Company the additional sum of \$12,700.00 as its equitable share of the cost of the addition constructed to the Sewer Company's treatment plant hereinabove referred to upon the ground of the increased enrollment at the school facilities served by the Treatment Plant over the 2,500 pupil enrollment anticipated by the Contract of December 29, 1966. Payment of said sum is to be made upon approval of this Supplemental Agreement by both parties and submission by the Sewer Company to the School Board of the above referred to certified cost of construction statement to be attached hereto, with certification that said costs have been paid.

It is understood by the parties that the School Board will not in the future owe any additional funds to

the Sewer Company, its successors or assigns, as capital recovery fee, tap-in expenditures, or tap-in costs, as said charge may be designated, for the cost of plan expansion, unless it is shown that the School Board is requiring and using gallonage on a basis materially in excess of that amount shown to have been used by the said Board as average monthly amount for the year 1972, it being understood by the parties that the Board's liability here is based upon the gallonage used as shown by the Louisville Water Company records. Likewise it is understood that if the schools' population decreases in a material amount so that the gallonage used is materially less than the gallonage used for the average month in the year 1972, it will have a claim or credit against the Sewer Company, its successors or assigns, consistent therewith against the funds paid as capital recovery fees to the Service Company.

This Supplemental Agreement is subject to the prior approval of all necessary governmental agencies and shall be binding upon the parties, their successors and assigns.

WITNESS the signatures of the parties as of the date first appearing above.

BOARD OF EDUCATION OF JEFFERSON COUNTY,
KENTUCKY

By: *J. H. ...*
Title: *...*

FOREST HILLS DEVELOPERS, INC.,
a corporation

By: *C. B. Schaller*
Title: *President*