

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 5th day of May, 2000, between the Logan Todd Regional Water Commission, 116 Southwest Park Square, Russellville, Kentucky 42276, hereinafter referred to as the "Seller," and the City of Oak Grove, P. O. 250, Oak Grove, Kentucky 42262, hereinafter referred to as the "Purchaser."

WITNESSETH:

Whereas, the Purchaser is a City, incorporated and established under the provisions of the Kentucky Revised Statutes, which operates a water supply distribution system serving water users within and adjacent to the city boundary, and to accomplish this purpose, the Purchaser requires a supply of treated water, and;

Whereas, the Seller is organized under the provisions of KRS 74.420 to 74.520 and intends to construct and operate a water supply treatment and distribution system with a capacity sufficient to provide water service to the Purchaser, as well as other potential purchasers as may be or become members of the Logan Todd Regional Water Commission, and;

Whereas, by resolution No. 1999-08 enacted on the 3rd day of Aug, 201999 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 attestation by the Secretary was duly authorized, and;

Whereas, by ordinance No. 2000-6 of the City Council of the Purchaser, enacted on the 2nd day of May, 2000, the purchase of water from the Seller in accordance with the terms set forth in the said contract was approved, and the execution of this contract by the Mayor, and attestation by the City Clerk was duly authorized;

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

A. The Seller Agrees:

1. (Quality and Quantity) 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 the applicable purity standards of the Drinking Water Branch of the Division of Water, Department for Environmental Protection, Natural Resources and Environmental Protection Cabinet of the State of Kentucky in such quantity as may be required by the Purchaser, but not to exceed an amount which when combined with the usage of other customers of the Seller would exceed the Seller's water production capacity.

2. (Point of Delivery) That water will be furnished at a controlled pressure and flow rate sufficient to maintain the current normal operating pressure in the existing distribution system of the Purchaser. The water will be delivered to a point or points within the existing distribution system of the purchaser as may be required to achieve satisfactory hydraulic performance of both the Purchaser's and Seller's systems. If a greater pressure than that now required for normal operation of the Purchaser's system is required to correct deficiencies, or to accommodate future or extraordinary demands, the cost of providing such additional pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, own, operate and maintain at its own expense the necessary metering equipment, including one or more meter enclosures and the required devices for properly and reliably measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment at least once every three years, or whenever requested by the Purchaser, but not more frequently than once every twelve months. A meter registering not more than 2% above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the six month period previous to the test, billings for the period shall be re-figured and the Purchaser's account credited or charged accordingly. If any meter fails to register for any period, the amount of water furnished during such period shall be estimated by any reasonable means agreeable to both the Purchaser and Seller. The metering equipment shall be read on the 25th day of each month. An appropriate official of the Purchaser shall have access to the meter at any reasonable time for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the first day of each month, an itemized statement of the amount of water furnished the Purchaser during the preceding month.

5. (Establishment of Rates) That pursuant to KRS 74.480(2), the Seller agrees to establish rates and charges for water supplied to the Purchaser and other entities represented by the Seller, sufficient at all times:

- (a) to pay the principal of and interest on any revenue bonds issued by the Seller pursuant to the provisions of KRS 74.420 to 74.520;
- (b) to pay the cost of operation and maintenance of the sources of supply of water (as defined in KRS 74.420); and
- (c) to provide an adequate fund for renewals, replacement and reserves.

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the seller, not later than the 10th day of each month, for water delivered in accordance with the following table of rates:

- a. \$59,411.30 for the first 25,831,000 gallons, which rate shall be the minimum rate per month, and
- b. \$2.30 per 1,000 gallons for all water in excess of 25,831,000 gallons.

2. (Connection Fee) No connection fee will be charged to the Purchaser.

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

1. (Delivery of Water) That the Seller will give the Purchaser 30 days written notice of the estimated date of initial delivery of water, and at least 48 hours written notice of the time when water will be available for delivery to the Purchaser.

2. (Term of Contract) That this contract shall extend for a term of 50 years from the earlier of the date of initial availability of water for delivery by the Seller to the Purchaser or January 1, 2003, and, thereafter may be renewed or extended for such term or terms as may be agreed upon by the Seller and Purchaser.

3. (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 if the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to the Purchaser shall be reduced or diminished in the same proportion as the supply to the Seller's other customers is reduced or diminished. The Purchaser also agrees to take such steps as may be necessary to curtail water usage within its system in response to a shortage of water. Payments due Seller under this Contract shall continue to be due and payable by Purchaser for 6 months after a failure of Seller to deliver water to Purchaser. Seller agrees to use its best efforts to obtain business interruption insurance as part of its general property and liability insurance package, to cover the payments due hereunder for a period of 6 months following a failure by Seller to deliver water to Purchaser.

4. (Nonpayment) That in the event the Purchaser or any purchaser of water from the Seller shall fail to make any payment to Seller for the purchase of water and such failure results in a default by Seller under any of the provisions of the documentation relating to the issuance of indebtedness by the Seller, including any required debt service coverage ratio, then the Seller shall increase the rates charged hereunder and to all purchasers of water from the Seller, on a pro-rata basis, in an amount necessary, in the written opinion of a certified public accountant, to allow the Seller to meet its financial covenants under such documentation.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the purchaser for water are subject to modification at the time of initiation of service, and at the end of every one year period thereafter, or at such time as mutually agreed to by the Purchaser and the Seller. Any increase or decrease in rates shall be based upon a demonstrable increase or decrease in the costs of performance hereunder, and such increase or decrease in rates shall be passed uniformly to all customers of the Seller. Other provisions of the 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 to similar agreements in the State of Kentucky and the Seller and Purchaser will collaborate in obtaining such permits, certifications or the like as may be required to comply therewith.

7. (End-User Quality) It is the intent of both the Purchaser and the Seller to deliver water to the ultimate consumer meeting all regulatory requirements for potable water. In the event of non-compliance with end-user quality standards, and if correction of the non-compliance can be most

feasibly and economically achieved through the actions of the Seller, the Seller shall undertake such changes in facilities, operations or other means as may be required to correct the non-compliance in a timely manner.

8. (Miscellaneous) That the construction of the water supply facilities by the Seller is being financed in part by a loan made or insured by, and/or a grant from the Rural Development agency of the US Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Seller are conditioned upon the approval, in writing, of the Kentucky State Director of Rural Development.

9. (Successors) That in the event of any occurrence rendering either party to this contract incapable of performing its duties under this contract, any successor, whether the result of legal process, assignment or otherwise, shall succeed to the rights hereunder.

10. (Pledge) That this Contract and the revenues generated hereunder are pledged on a parity basis to (i) the United States of America acting through the Rural Development agency of the US Department of Agriculture, as part of the security for and to the extent of a loan from the United States of America; (ii) any holders of bonds or other indebtedness issued by the Seller to finance the costs of the Project; and (iii) any insurance company providing an insurance policy which insures the payment of principal and interest on any indebtedness issued by the Seller.

11. (Resale of Water) The Purchaser may not resell water to any other water system or water seller, nor may the Purchaser add any customer to its system that would increase average daily water demand or peak water demand within purchaser's system by over 25% without prior written approval of the Seller.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two counterparts, each of which shall constitute an original.

Seller:
Logan Todd Regional Water Commission

George W. Arnold
George W. Arnold, Chairman

Purchaser:
City of Oak Grove

Jean Leavell
Jean Leavell, Mayor

Attest:

Dwight French
Dwight French, Secretary

Attest:

Kerry Molino
Kerry Molino, City Clerk

STATE OF KENTUCKY
COUNTY OF LOGAN

I, Blenda Allen, a Notary Public in and for the State of Kentucky, do hereby certify that on this day personally appeared before me Jean Leavell and George W. Arnold, and acknowledged the signing hereof to be their voluntary act for the purposes and uses set forth.

Witness my hand this 17th day of May, 2000.

Blenda Allen
Notary Public

My Commission Expires MY COMMISSION EXPIRES FEB 10, 2003

This contract is approved on behalf of USDA - Rural Development this the _____ day of _____, 20____.

By: _____

Title: _____

SECOND AMENDED WATER PURCHASE CONTRACT

THIS IS THE SECOND AMENDMENT TO THE WATER PURCHASE CONTRACT ORIGINALLY ENTERED INTO ON THE 8TH DAY OF MAY, 2000, BY AND BETWEEN LOGAN/TODD REGIONAL WATER COMMISSION ("SELLER") AND THE CITY OF OAK GROVE, KENTUCKY ("PURCHASER")

WITNESSETH:

WHEREAS, the parties originally entered into a Water Purchase Contract as set forth on the above day and date listed; and

WHEREAS, the parties desire to amend a portion of the contract to extend the term up to and including December 31, 2060;

NOW, THEREFORE, the parties hereby agree as follows:

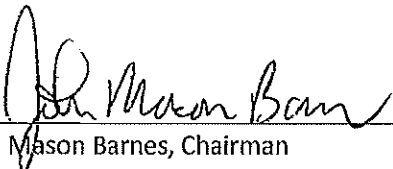
Paragraph C(2) of the original contract is amended to now read as follows:

That this contract shall expire on December 31, 2060, and thereafter may be renewed or extended for such term or terms as may be agreed upon by the Seller and Purchaser.

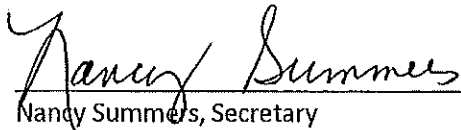
All other terms of the original contract, and the First Amended contract, shall remain the same.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in two counterparts, each of which shall constitute an original.

Seller:
Logan/Todd Regional Water Commission


John Mason Barnes, Chairman

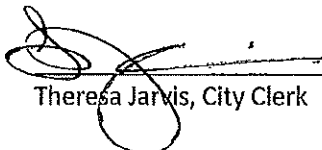
Attest:


Nancy Summers, Secretary

Purchaser:
City of Oak Grove, Kentucky


Bea Butt, Mayor

Attest:


Theresa Jarvis, City Clerk

STATE OF KENTUCKY
COUNTY OF CHRISTIAN

I, Nancy L Sumner, Notary Public in and for the State of Kentucky, do hereby certify that on this day personally appeared before me John Mason Barnes, and acknowledged the signing hereof to be his voluntary act for the purposes and uses set forth.

Witness my hand this 14th day of March, 2018.

Nancy L Sumner
Notary Public

My Commission Expires: 1/16/22

STATE OF KENTUCKY
COUNTY OF CHRISTIAN

I, Lorelynn N. Caudill, a Notary Public in and for the State of Kentucky, do hereby certify that on this day personally appeared before me Bea Burt, and acknowledged the signing hereof to be her voluntary act for the purposes and uses set forth.

Witness my hand this 7th day of March, 2018.

Lorelynn N. Caudill
Notary Public



My Commission Expires: May 30, 2018
ID#: 1512448

This contract is approved on behalf of United States Department of Agriculture, Rural Development this the ___ day of _____, 20__.

By: _____

Title: _____

C. ROBERT HEDGES
Attorney-at-Law
157 West Fifth Street
P. O. Box 335
Russellville, KY 42276-0335
270/726-9604

THIRD AMENDED WATER PURCHASE CONTRACT

THIS IS THE THIRD AMENDMENT TO THE WATER PURCHASE CONTRACT ORIGINALLY ENTERED INTO ON THE 5TH DAY OF MAY, 2000, BY AND BETWEEN LOGAN/TODD REGIONAL WATER COMMISSION ("SELLER") AND CITY OF OAK GROVE, KENTUCKY ("PURCHASER")

WITNESSETH:

WHEREAS, the parties originally entered into a Water Purchase Contract as set forth on the above day and date listed; and

WHEREAS, the parties desire to amend a portion of the contract to extend the term up to and including December 31, 2070 ;

NOW, THEREFORE, the parties hereby agree as follows:

Paragraph C(2) of the original contract is amended to now read as follows:

That this contract shall expire on December 31, 2070, and thereafter may be renewed or extended for such term or terms as may be agreed upon by the Seller and Purchaser.

All other terms of the original contract, the First Amended Contract and Second Amended Contract shall remain the same.

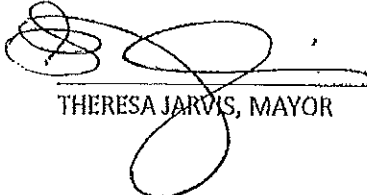
SO AGREED on this day and date witness our hands below.

LOGAN/TODD REGIONAL WATER COMMISSION

CITY OF OAK GROVE, KENTUCKY



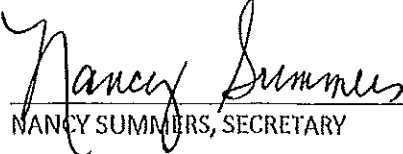
JOHN MASON BARNES, CHAIR



THERESA JARVIS, MAYOR

ATTEST:

ATTEST:



NANCY SUMMERS, SECRETARY



ANGELA COMPERRY, CITY CLERK

STATE OF KENTUCKY)
) SS:
COUNTY OF TODD)

ACKNOWLEDGED before in my presence by John Mason Barnes, in his capacity as Chair,
Logan/Todd Regional Water Commission, on this 5th day of June, 2020.

Nancy L Sumner
NOTARY PUBLIC

My commission expires: 1/16/22

STATE OF KENTUCKY)
) SS:
COUNTY OF CHRISTIAN)

ACKNOWLEDGED before in my presence by Theresa Jarvis, in her capacity as Mayor, City
of Oak Grove, Kentucky, on this 3rd day of June, 2020.

Lorelynn N. Fisher
NOTARY PUBLIC

My commission expires: May 30, 2022
ID# 601601

This instrument prepared by:

C. Robert Hedges

C. ROBERT HEDGES
Attorney-at-Law
157 West Fifth Street
P. O. Box 335
Russellville, KY 42276-0335
270/726-9604

